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NATION BUSINESS

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July



1920

A Fourth of July Speech—*New Style*

By WILLIAM FEATHER

The High Cost of Investigating

By Representative MARTIN B. MADDEN

Chairman, House Appropriations Committee

When Farm and Factory Team Up

Dr. CHARLES M. A. STINE

Chemical Director, E. I. du Pont de Nemours & Co.

How Our Railroad Systems Grew—Robert S. Henry

Tasmania's Roads and Baby's Shoes—Frank B. Curran

The World's Output of Work—Thomas T. Read

Lawmaking Still Runs Wild—Agnes C. Laut

A British Move Toward Socialism—P. W. Wilson

Map of Nation's Business, page 46

Complete Table of Contents, page 5

Published at Washington by the Chamber of Commerce of the United States

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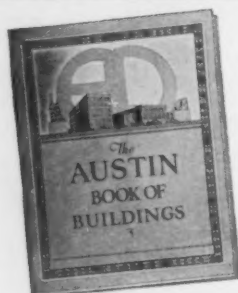
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AS BOYS, all of us remember the Fourth of July celebration—the parade of the civic bodies led by the silver cornet band, the tubs of red lemonade with the bobbing cake of ice, the spitting of the firecrackers—made in China, 5 cents a bunch—and the *piece de resistance*, the oration of the day by the Honorable Joshua Middlecamp, Congressman from the 26th District, or ex-Congressman, or candidate for Congress.

The orator, frock-coated, with white waistcoat and black string tie, gradually ascended into the blue empyrean to twist the lion's tail, and to prod the eagle into screams. He ran the gamut from pathos to exaltation; from the "bloodstained footprints at Valley Forge" to "millions for defense but not one cent for tribute!"

Quotations from Patrick Henry and Daniel Webster, interlarded with word pictures of George Washington, Molly Pitcher, Abraham Lincoln, Ethan Allen, Paul Revere, Fighting Joe Hooker, all blended into a panegyric of the greatness and God-given purpose of the Republic.

It was eminently worth while. It is eminently worth while. But looking back over the years, there was something missing in the Fourth of July orations of my youth. It was well to keep before our eyes the "bare breasts hurling themselves against the chilled steel of the invading Hessian hosts." But the picture was incomplete. It tended to overemphasize battles and war cries and politicians. It left out an important phase of the American philosophy.

So NATION'S BUSINESS presents this month a Fourth of July oration, *new style*, by William Feather, of Cleveland. Taken by itself it would be open to similar criticism, that it tells only part of the story. But in view of the fact that most all of the July Fourth activities, past and present, on platforms and in news and magazine columns, stress the conventional idea, this note of Mr. Feather will not be discordant but rather fill out the great diapason of American patriotism.

WHY SHOULD the Fourth of July devote itself only to the success of our political philosophy? There is an industrial philosophy, equally important to and equally responsible for the American nation.

One hundred and thirty-nine years ago a group of men met and designed a piece of political machinery. Its chief concern was the individual, an untrammelled opportunity for him to carve out his place in American life—politically, industrially, and socially.

The founders of the Republic addressed themselves to the spirit of American youth which was constantly in attendance upon their sessions. They might have said to him: "Oh, American Youth! What would you have? The door is wide open. Leadership is possible in any field. Work hard, deny yourself, see clearly your goal, and we shall see that you have fair play in your contest. Individual reward for individual merit! Go to it!"

How well they founded! That political philosophy has taken a boy from a rocky

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.

EQUITABLE SERVICE*(In part)*

Trust Service for Corporations
This department acts as a trustee under mortgages and deeds of trust, depository under protective agreements, receiver for corporations and performs all similar services.

Transfer and Registrar Service
This department acts as stock registrar and transfer agent in the disbursement of dividends, provides every safeguard against the over-issuance of stock and relieves our clients of much clerical detail.

Safe Keeping Service
This is equal to having a financial secretary, collecting all income on stocks and bonds as it becomes due, rendering its professional advice in matters of rights of conversion and subscription, and all similar affairs.

Tax Service
Our tax department furnishes free, information regarding all state and government taxes, and assists in their computation.

Investment Service
Our bond department gives your individual case its expert advice on any investment matter, and finances companies of established standing.

Foreign Banking Service
Aided by our New York, London and Paris offices, and many foreign correspondents, we are ably fitted to perform every kind of international financial transaction.

Equitable Letters of Credit
Our E.T.C. Dollar Letter of Credit, which can be obtained through your local bank, provides a safe, economical and convenient way to carry funds abroad. It also entitles you to the services of our foreign travel department which will add immeasurably to the enjoyment and facility of European travel.

Our booklet, *Equitable Service*, will explain in detail many other ways in which your business can benefit by The Equitable's prestige and scope of service. A copy will be mailed to you upon request.



Do you want to send money abroad?

THE EQUITABLE is well equipped to arrange either the purchase or sale of drafts or cable transfers in practically every country in the world. This service is available through both your own bank and our district representatives.

Read the column at the left . . . then send for our booklet, *Equitable Service*.

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farm in Vermont and placed him at the head of us all. That industrial philosophy has taken a Detroit mechanic who twenty-odd years ago was sending himself out on odd repair jobs, and has made him the richest man in the world.

The political freedom of the individual has been protected; the initiative of the individual has been preserved. Both ideals, equally important, have contributed equally to the greatness of the American people. Both should be equally kept before us as ideals.

THE DANGER is that we may become confused. The danger is that we may ask that political mechanism, skilfully designed with its delicate checks and balances to protect political liberty, to take over the initiative of the individual. We see more and more the demand of our people expressed through legislative bodies, that the political mechanism operate and develop purely industrial enterprises. We do not stop at the size of the task. We ask Washington to operate railroads, gigantic power projects, ships, agriculture. We fail to realize that such a course impairs the efficiency of the machinery to do its appointed task, and strikes at the individual initiative which has made industrial America show its tail-lights to the rest of the world.

THE manifestations of this confused thought are various. Consider, for example, a United States Senator, who chose politics instead of business for his field. Our political philosophy has placed him on a pinnacle, where with perhaps 100 other Americans in political life, he has received the greatest honors and rewards at the hands of the Republic. Individual reward for individual merit exemplified.

He presents a plan by which the Government is to take over a gigantic power undertaking. His plan provides that no one connected with it shall receive more than \$7,500 a year.

This United States Senator modifies the exhortation the founders of the Constitution gave American youth. He says in effect to the small boy, "If you go in for statesmanship, the sky is the limit. If you go in for engineering and management, you will be limited and restricted. In business you can go only so far."

MR. FEATHER'S article is brimful of thought-provoking statements. Some of them will make you chuckle. Some will make you mad. Some, we predict, will make you think. That's the formula for a successful article, according to the great French writer Flaubert. "Make me laugh, make me cry, make me think," he wrote his nephew, the then budding genius, de Maupassant.

Mr. Feather declares war on that slithery inferiority complex that makes some of us apologetic and ashamed of the real things which have made us what we are—Imagination, Ingenuity, Resourcefulness, Drive, yes, and Yankee Bumptiousness.

AFTER all, what is the One Hundred Per Cent American?

"Simple enough," says *The Forum*. "Just find the common denominator for George Washington, Washington Irving, Irving Berlin; Mary Garden, Mary Pickford, Mary Baker G. Eddy; Henry Ford, Henry Adams, O. Henry; Joseph Smith, Al Smith, Smith Brothers; Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson; Stephen Wise, Jesse Lasky, Oscar Straus; Judge Gary,

NORFOLK

a great industrial city

BIG industries today are building plants in the Norfolk-Portsmouth area of Virginia.

The Ford Motor Company, International Cement Corporation and many others have selected this area because of its tremendous opportunities as an industrial site.

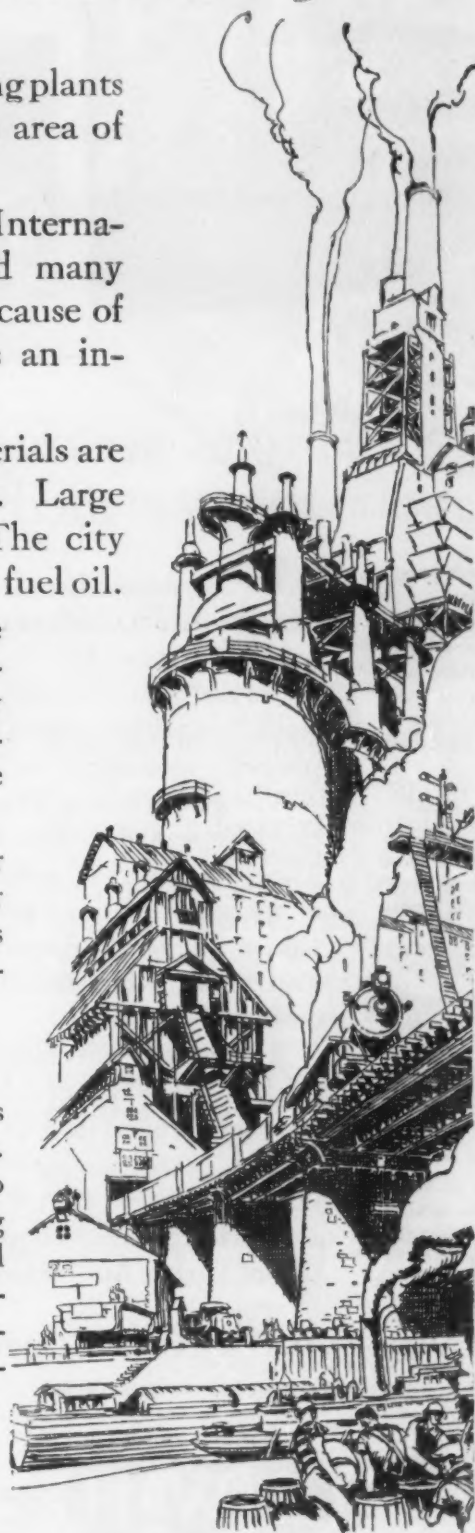
Immense supplies of raw materials are available at Norfolk's very gates. Large coal fields are close at hand. The city itself is a centre of distribution for fuel oil.

Hydro-electric and steam power are available at low cost. Labor is plentiful, high class, and contented. Only 4.8% of Norfolk-Portsmouth population is foreign born. Labor troubles are almost unknown.

The moderate climate permits of year round construction, resulting in lower building costs for manufacturing plants—and all year operation of outdoor industries.

* * *

Norfolk's abundant acreage provides unexcelled plant sites at moderate cost. Our industrial engineers will be glad to discuss with you the problems relating to your own industry. All inquiries will be held in confidence. Address the Norfolk-Portsmouth Industrial Commission—Dept. F, Chamber of Commerce, Norfolk, Va.



NORFOLK-PORTSMOUTH

Chamber of Commerce



For executives seeking facts about the *new* medium

"Once a month for 10 years and still going"

This is the story of an Evans-Winter-Hebb client who has used direct advertising as a medium for almost ten years to cultivate prospects who decide slowly. In *The Three Circles* for April.

"Help! help! Mr. Noah"

A timely article, prompted by the question, "Who let loose this deluge of direct advertising?" In *The Three Circles* for May.

"To Travel or to Arrive?"

The business man knows why he is in business. This article tells how direct advertising can be made to help him to arrive. In *The Three Circles* for June.

"Selling Dealers on Selling"

An article for the manufacturer who feels that dealers are not giving his product the sales pressure it merits. In *The Three Circles* for July.

NEW medium? Yes, Direct Advertising as a definite medium in marketing is comparatively new, although for years many advertisers have attempted to accomplish with "printing" what Direct Advertising, properly executed, *will* accomplish.

The execution of Direct Advertising is the business of Evans-Winter-Hebb Inc. The advertisers it serves and the results of its practice have given this organization a national reputation for planning and producing Direct Advertising uncommonly well.

Executives, interested in the impetus that effective Direct Advertising can give to sales, are invited to write for copies of *The Three Circles*—a little magazine which is less an advertisement than it is a contribution to the principles and practice of Direct Advertising.

EVANS-WINTER-HEBB Inc. Detroit

816 Hancock Avenue West



The business of the Evans-Winter-Hebb organization is the execution of direct advertising as a definite medium, for the preparation and production of which it has within itself both personnel and complete facilities: Marketing Analysis • Plan • Copy • Art • Engraving • Letterpress and Offset Printing • Binding • Mailing

When writing to EVANS-WINTER-HEBB INC. please mention Nation's Business

'Gene Debs, "Babe" Ruth; Jackie Coogan, Marion Talley, "Red" Grange; and Jonathan Edwards, Billy Sunday, Harry Emerson Fosdick."

Such a common denominator would be the beginning but not the end of the truly One Hundred Per Cent American!

But read Mr. Feather's article. This extended comment is only a footnote to the main text.

AS I WRITE I learn that Mr. Feather has been awarded the \$1,000 prize offered by Alvan T. Simonds, of the Simonds Saw and Steel Co., in his fourth annual contest for the best contribution to current economic literature, on the subject "Your Prosperity and Mine."

We always knew that Mr. Feather could write. He's one of our favorite contributors. Now we know he's an economist.

IN "SOME Cycles of Cathay," William Allen White's latest outgiving between book covers, I read:

Historians are teaching the story of human progress with more and more emphasis on the social and economic development of men and smaller and smaller attention to the battles men have fought.

Sounds like Frank Kent and his article, "Why is Business Left Out," which led our May issue.

Not in a long time has a contribution to *NATION'S BUSINESS* been given the reception awarded the Kent story. Newspaper editors have widely commented on it—some seriously, some peckishly and some frankly scoffing.

WE WELCOME the eminent H. G. Wells into the lists as a champion of the new history—history as it should be written.

Says Mr. Wells:

When we realize the supremacy of those numerous ingenious, curious, and altogether forgotten people who designed the plow, launched the first ships, mingled horse and ass and set bales on the backs of mules; when we realize the supremacy as makers of history over the conquerors and great thinkers and so forth with whom histories are rubricated—then it is possible for us to take up the vast tangle of records which constitute this eventful period with some hope of extricating a possible and acceptable forecast of the coming years."

THE CHICAGO Journal of Commerce elaborates the theme thus:

Business is disregarded by historians on the theory that it is a matter of commonplace and routine? Is it?

Is it not a fact that Henry Ford's business action of manufacturing automobiles in enormous quantity has effected a notable change in our civilization and is bound to have a vital effect on succeeding generations?

Is it not true that in similar manner the life of the present generation has been effected by the business decisions and great business stratagems of past generations?

THE Dayton, Ohio, News suggests that business itself is the reason business is left out of history. Inferentially, according to the *News*, business isn't—or wasn't—fit to associate with the inhabitants of our national Valhalla.

This indictment, however, is qualified a bit. The *News* goes on to say that it has in mind "the business of the past which seemed to think the way to success was through government subsidy, through the agency of the spellbinding politician and

not infrequently through the agency of booming guns."

If business in the old days was a den of iniquity—a conclusion assumed but not proven—it undoubtedly had its effect on contemporary life, manners, customs and social institutions. These, says Kent, have been left out of the story or minimized out of all true proportion.

The point still stands:

The captain of industry crowds the captain of industry off the stage, be the latter hellion or hero, pirate or patriot.

ONE OF our most venerable anecdotes is that of the negro who "appreciated the compliment" when he was asked if he could change a twenty-dollar bill.

And now it has happened to me.

A correspondent in New York writes me that he has a man in tow who wants to sell two Rodin marbles for twenty-five thousand dollars, and intimates that I might want to buy them. If I should, I should at once have to build a new house to hold them; and how much would a house cost that would be fit to serve as a background for twenty-five thousand dollars' worth of Rodin marble? I mean an editor's house.

Maybe my correspondent had hopes of getting a free advertisement. If so, my vanity is tickled so greatly that I have not the heart to deny him this paragraph.

WE HAVE printed no article in recent months which has brought from our readers such commendation as "The New Competition," by O. H. Cheney. This commendation might be summed up in the editorial note of that excellent weekly, the *Editor and Publisher*, which reprinted the article in its entirety. The editor said to his readers:

We believe the following article to be the most thoughtful and penetrating discussion of the huge problem of mass production, distribution and instalment selling which has appeared recently. It presents new ideas on a subject which has many modern business men sorely puzzled.

Another article of like character will be presented in the September number which will likewise describe a great current in American business, the manifestations of which are apparent but not readily understood.

IT WAS said of John Randolph of Roanoke that his long career in Congress was like a random arrow shot into the sky. It charmed by its lofty flight but bagged no game.

That can't be said of Representative Martin Madden, Illinois, chairman of the House Committee on Appropriations. When Madden shoots he hits. Evidence lies in his article in this issue on the "High Cost of Investigating."

Representative Madden gets as much fun out of saving Uncle Sam's money as others get out of spending it. His career as Grand Seneschal of the Purse Strings, however, reveals nothing of the penny-wise-pound-foolish penny-pincher.

Incidentally, I get a great laugh out of our Artist Dunn's adaptation of Lewis Carroll's walrus and carpenter to the theme of the Madden story.

It isn't necessary to go the length of saying that government should pay absolutely no attention to the oyster for us. We suggest that, perhaps, it's overdoing a good thing when no less than three branches of government fret over the bivalve on the same day. Couldn't one of these agencies

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FOR
INDUSTRIAL
ROOFING
AND
SIDING



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Where Corrugated Sheet Zinc is used for industrial roofing and siding two desirable results are certain: (1) permanent service without repair or upkeep expense, and (2) low cost.

Zinc cannot rust. Its resistance to the destructive action of corrosive fumes as well as to the elements insures permanence. Its resulting low cost per year is an economy which is leading to the use of Corrugated Sheet Zinc in many industries. Write for full information.

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MR. _____ TYPE OF BUILDING _____
FIRM _____ ADDRESS _____
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"Then it is decided our new Plant will be in BRUNSWICK GEORGIA"



Keyport to the Prosperous Southeast

Alert native labor is plentiful. Living is inexpensive. Wages are moderate. Disturbing elements are absent. Heat is seldom needed. The mild climate will cut your investment in buildings.

New industries are exempt from local taxes for five years. The state levy is low. Georgia has no income tax nor inheritance tax. Sites with both trackage and frontage on the Atlantic's finest landlocked harbor will be provided suitable industries.

Write for the BRUNSWICK BOOK

Investigation will show what Brunswick offers for your new plant. Your questions will be answered accurately, helpfully.

BRUNSWICK

Address your inquiry to the
Brunswick Board of Trade

Georgia

"Our ships from South America and Europe can dock in Brunswick's landlocked harbor without the use of tugs in two hours from the open sea. This will save us money."

There are over 21 square miles of anchorage basin with two and two-thirds square miles over 30 feet at low tide. Over forty miles of deep water dockage are available. The channel is over 500 feet wide and 34 feet deep at high tide. Tidal variation is 7 feet.

"Three trunk-line railway systems—the Atlanta, Birmingham and Atlantic, the Southern, the Atlantic Coast Line—will bring us raw materials and carry our goods to the twenty million prosperous consumers in the Southeast."

Florida is nearby. Georgia, Alabama, Tennessee, the Carolinas, and Mississippi are rich in natural resources and markets—with 133 cities and 1944 towns having salaried postmasters. St. Louis, Louisville, Cincinnati and Chicago are closer to Brunswick than they are to the North Atlantic.

"Our raw materials will flow easily, cheaply, to Brunswick. We can get iron from Birmingham, coal from Tennessee, or fuel oil from Mexico. Our clays and ochre will come from nearby Georgia points. Rosin and turpentine are produced in Brunswick in vast quantities. Pure water, a necessity, gushes from artesian wells.

"Production will be uninterrupted at Brunswick. The climate assures this. Winter temperature, warmed by the Gulf Stream, averages 59 degrees; summer, cooled by the ocean breezes, the weather bureau puts at 76 degrees. Cold will never push costs up, nor interfere with outdoor work."

do the job? Isn't this another case where too many cooks spoil the oyster broth?

"OVER at the cross-roads' store the other night," writes Homer M. Green, Mount Joy Farm, Middletown, New York, "these different farm relief bills were discussed and I was delegated to assure you that while we may wear overalls, we are with you in your fight against any further extension of government activity in business."

This note of approval from the "cross-roads" encourages us to carry on.

DALE GRAHAM of the Mississippi Trust Company, who is writing the informative series for us "Everyman and His Bank," may listen in some evening on his radio and get the unusual experience, for a writer, of hearing his articles come back to him over the air.

A telegram asking for permission to broadcast these articles each month after their appearance in the magazine, came to us and we gladly gave permission.

Gladly, because we believe the series is serving a great purpose by clarifying the functions of banking in its relation to the business man.

ADD Archives of our Fewer Laws Club.

A new measure of the country's legal tonnage is provided in the 1,700-page Fitzgerald bill, which would accomplish codification of the laws of the United States. Figuring the weight of the type at 20 pounds a page, as estimated by the Government Printing Office, the bill now awaiting action by the Senate Committee on Revision of the Laws is holding 17 tons of type metal idle. Attempts to compile and catalog the laws have dragged along since 1874, but have made no end of the chore.

If the law on any point must be known, it is still necessary to pore over 25 ponderous books, and much of the law is buried in appropriation acts, hard to find and easy to overlook. Now the Fitzgerald bill is hailed as a chart for

... mastering the lawless science of the law,
That codeless myriad of precedent,
That wilderness of single instances. . . .

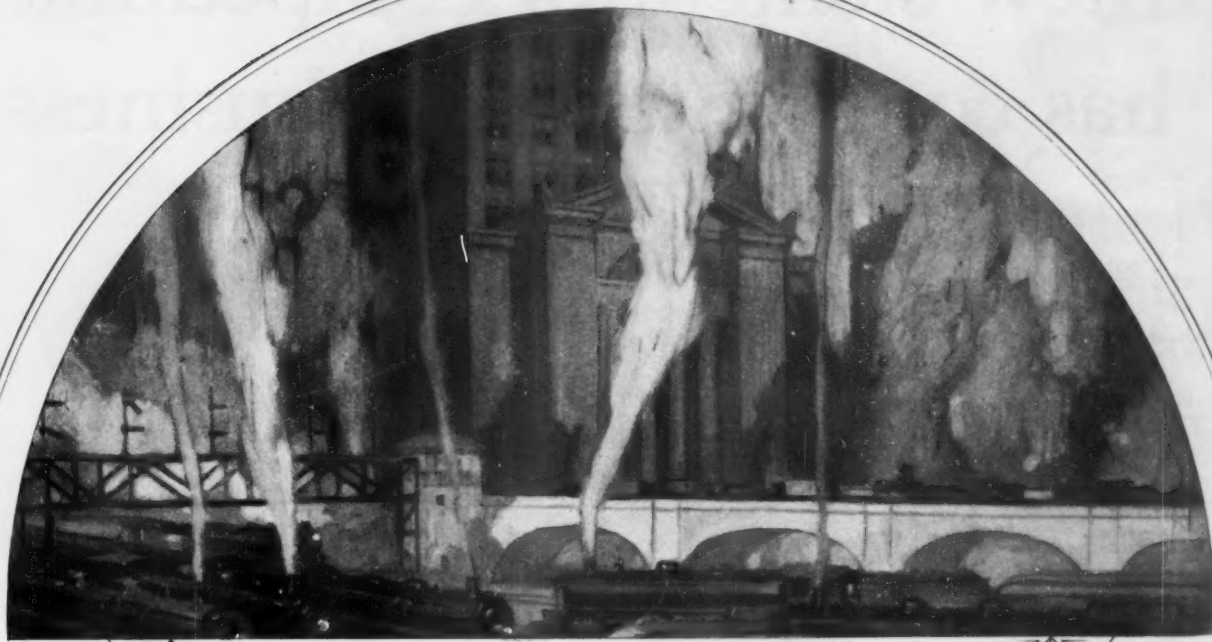
As Mr. Fitzgerald puts it, "the course or stream of legislation is passing continually along. We must stop somewhere." Exactly so.

The trouble seems to be that too many statesmen operate on the theory—"Let me but make the nation's laws, and I care not who has to codify them."

OUR READERS have been regaled in this column with accounts of the controversy between Oshkosh and Wichita as to which locality raises the biggest and best bullfrogs. At first blush it may seem a light subject to be given space in a great economic journal such as ours. But no less authorities than Mark Twain in his "Jumping Frog of Calaveras County," and Owen Wister in "The Virginian" have likewise grappled with this important subject.

A Dallas subscriber, writing us with a degree of levity which ill becomes the intelligence of the readers of NATION'S BUSINESS, makes this observation, "If those 15-pound frogs of Wichita and Oshkosh were broken up into their component parts, we probably should find only 3 pounds of frog and 12 pounds of bull."

M.T.



75 YEARS OF CONTINUOUS

S U C C E S S

ON THE MORNING of September 2, 1850, a diminutive "tea-kettle" engine, drawing one coach, puffed along a new railroad between Aurora and Turner Junction, Illinois.

Twelve miles were the line, and the second-hand engine, coach and two freight cars were the total rolling stock of the pioneer Chicago, Burlington & Quincy Railroad, born that day.

Today, 75 years later, twelve miles of track have become 11,500 miles. The Great Lakes are joined to the Rockies; the great Northwest meets the Gulf of Mexico. An empire of thirteen states is welded by a single transportation system.

Twenty-two hundred locomotives have replaced the "tea-kettle" engine, 80,000 freight cars bear the Middle West's commerce, 1,600 passenger cars carry 19 million people in a year. And 50,000 employes serve with a builder's pride this railroad that has grown to greatness.

Measure the success of the Burlington, the span of its development and influence since the "tea-kettle" engine of Lincoln's day, and you have



*Since the morning of
September 2, 1850*

The Burlington has completed seventy-five years of successful railroad service. The Burlington has never been in the hands of a receiver; it has never defaulted on a financial obligation. The Burlington has counted success as necessary to a useful existence. It knows no other way to provide the high class of service the public has demanded and which the Burlington has made its first purpose

Halverson
PRESIDENT OF THE BURLINGTON

measured the swift growth of the great Middle West it helped to build. Here, before the railroads came, were open prairies, wilderness and desert waste. Now the bulk of the nation's food crops are produced, great manufacturing cen-

ters count their output in billions, a population of 30 millions only hesitates at the mark.

In the service of this great territory Burlington's history is written.

Agriculture was aided—now the Burlington carries more live-stock than any other railroad. It carries more grain than any other railroad. It is the largest food distributor in the world.

Industries were fostered—now the Burlington is the second largest coal carrier in the West. It is the principal carrier for the great beet sugar industry, for the vast oil fields of Wyoming and Montana.

Travel service was perfected—now the Burlington holds a world's "on time" record. It is the largest carrier of summer tourists to the Rockies. It has been the government fast mail carrier from Chicago to Omaha for 42 years.

In no spirit of boasting are these facts stated. The Burlington does not claim to be the model railroad, although it acknowledges no superiors. It is proud of its past, but it is humble in facing a future of even greater responsibilities of public service.

The Burlington Route

The National Park Line



Everywhere West

11,500 MILES OF RAILROAD IN THIRTEEN STATES

When writing to CHICAGO, BURLINGTON & QUINCY RAILROAD please mention Nation's Business

A new element of competition has come into your* business

DUCO was created and is produced only by du Pont.

Its remarkable qualities of enduring beauty were first recognized as a new and preferred finish for automobiles.

Today, DUCO adds new values to toys—telephones—street cars—lamp shades—auto buses—tools—pianos—washing machines—radio cabinets—and hundreds of practical and decorative articles.

Thirty-three automobile makers finish their cars with DUCO.

Nearly one hundred furniture manufacturers are creating the new DUCO-Period, of greater furniture beauty and efficiency.

DUCO is easily applied. It hardens almost instantly, and no elaborate drying equipment is required. Products finished with it can be shipped with greatly reduced danger of injury in transit.

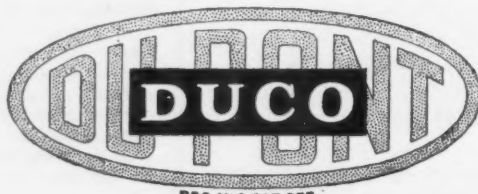
DUCO frequently reduces the cost of finishing, and speeds up production.

Every day a new and important use for DUCO is found. It will pay you to determine if there is some place in your manufacturing operation where DUCO can be used profitably.

...it is Duco, the enduring finish. A competitor of yours* has already found that Duco increases saleability of his product. Duco can do the same for your product. Save the memorandum printed below, as a reminder to dictate a letter to us.

★ if what you make is included in this list of industries:

| | |
|--|-----------------------------|
| Advertising Show Cards and Displays | Radio Parts and Cabinets |
| Aircraft | Recording Instruments |
| Automobiles and Accessories | Refrigerators |
| Bird Cages | Rolling Stock |
| Cash Registers | Scales |
| Clocks | Street Cars |
| Dishwashers | Tank Cars |
| Electrical Fixtures | Telephones |
| Electrical Machinery | Thermos Bottles |
| Elevators | Toilet Seats |
| Furniture, Wood and Metal | Tools |
| Gasoline Pumps | Toys and Novelties |
| Linoleum | Trunks |
| Metal Signs | Vacuum Cleaners |
| Office Appliances | Vending Machines |
| Pencils | Washing Machines |
| Pianos | Wire Insulation |
| Plumbing Fixtures | Wooden Handles |



REG. U. S. PAT. OFF.

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Write to du Pont Industrial Finishing Service, about the finish on my product, giving them the following information:

Name of product . . . material of which it is made (wood, metal, fibre, or composition) . . . finish now used.

E. I. du Pont de Nemours & Co., Inc., Chemical Products Division, Parlin, N. J., Chicago, Ill., San Francisco, Cal., and Flint Paint and Varnish Limited, Toronto, Canada.

There is only ONE Duco — DU PONT Duco

When writing to E. I. DU PONT DE NEMOURS & CO., INC., please mention Nation's Business



A Fourth of July Speech—New Style

By
**WILLIAM
FEATHER**

PHOTOGRAPHS BY EWING GALLOWAY, KADEL AND HERBERT, AND NEW YORK ZOOLOGICAL SOCIETY

IF WE rip off his red, white and blue necktie; if we operate for his nasal twang; if we purge from his mind all memory of Fourth of July oratory, and look for the essential quality that distinguishes a 100 per cent American, what do we find? If we seek the common denominator of all Babbitts, captains of industry, Rotarians, Henry Fords, Thomas Edisons, and Theodore Roosevelts, what do we discover? If we attempt to formulate the proposition to which every American will agree whole-heartedly, what shall we write?

Just Why We Think as We Do

I THINK there is a specific central idea in every 100 per cent American, and that it is the cause of our amazing prosperity, and the reason for our inability to accept European forms and customs. Because the 100 per cent American is different from any other animal on the face of the earth he has no real interest in foreign art, and because his own artists have failed to understand Americanism, enthusiasm for native art in this country has never been more than lukewarm.

What is wrong with art in the United States? What is wrong with American artists? What's the matter with Edward W. Bok? What goes wrong every time Americans try to imitate European social institutions and customs? Why do we make a vice of golf, a dreary and gaudy social spectacle of a symphony concert, a mausoleum of an art exhibit?

Conversely, why do we succeed so well with our architecture when we do it our own way, why do we beat the world with our jazz, why do we hail Mark Twain, O. Henry, Emerson, and Walt Whitman as first-rate artists and philosophers, and forget the rest?

Why does every 100 per cent American admit he is bored in Europe and ache to get back to his own shores, why does he yawn at performances of Ibsen, why does he cheer and exalt his business men above all others, why does he take more pride in the Twentieth Century train than in the annual anthology of American poetry?

Birth was given to the American idea the year the steam engine was invented. The Declaration of Independence postulated freedom and equality of opportunity. The steam engine furnished man with a new source of energy—uncarnate instead of carnate.

With the steam engine it was possible to found a civilization on prosperity. The 100 per cent American is saturated with the idea of prosperity and equality. He is thinking in terms of *uncarnate* energy. That is why we are all inventors. That is why we buy automobiles, vacuum cleaners, telephones, steam shovels, tractors, multiple plows, and automatic lathes. That is why our farms and factories and banks are filled with labor-saving devices. That is why the hod carrier and wheel-barrow pusher have been eliminated in the United States. That is why the American workingman has become a director of machines instead of a manual laborer. That is why our production per man is perhaps double that of our nearest rival and one hundred times greater than our Asiatic competitors. That is why American wages are the highest in the world.

Every foreign civilization rests on poverty and caste. The function of European literature and art is to justify this system and sublimate it so

that it may become bearable. European art attempts to teach the beauty of poverty and resignation. Even the revolutionary writers of Europe picture a hope-

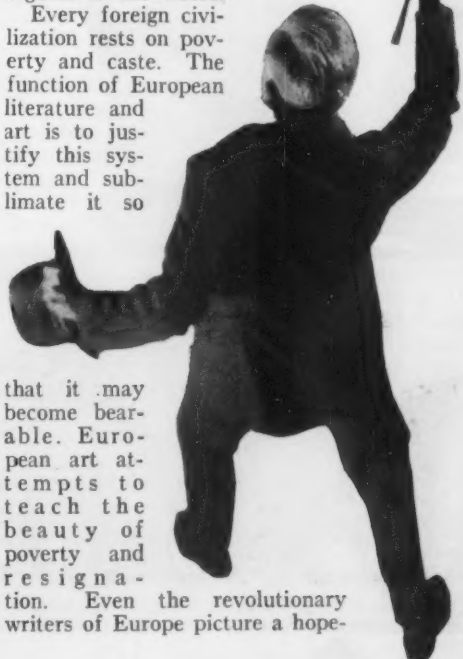
lessness which can be cured only by a worse evil, because they are still thinking in terms of *uncarnate* energy—animal power. The European's dream of heaven is a cow in a pasture.

What is there in this stuff for a 100 per cent American who perceives that steam and electricity have upset Adam Smith's economic laws and made universal prosperity an accomplished fact? What has the revolutionist to offer him? What in European art, with its defense of the caste system and the glorification of poverty, is calculated to excite his imagination? The 100 per cent American realizes that he can unload all drudgery on machinery, and thereby achieve universal prosperity exceeding the dream of the most moony Bolshevik. Mankind has been struggling toward this idea for ten thousand years, and during the period when the goal seemed hopeless of achievement the purpose of philosophy and art was to make life bearable.

Expressing Release in Life

WITH a full belly and a warm hut man no longer needs to be drugged by socialism and personal salvation; and the art and literature produced under the patronage of kings and potentates. He demands something new, something that expresses his release from economic oppression, hunger, cold, and weariness.

When an American writer is born who has the genius to express the spirit of 100 per cent Americanism we shall find that he is instantly acclaimed. When an artist finally paints pictures that portray the American idea of life on this planet he will find a market for his output that will cause his rivals, who are trying to imitate the old masters, to jump off the dock. No place



is reserved in the United States for European eighteenth century ideas. We don't understand them. We have no beggars, no meek and lowly, no cow-like women, no starved children. We are rich, fat, arrogant, superior. Why doesn't someone interpret us as we really are instead of getting sore because we don't grovel in the presence of a high hat.

I promised to explain what is wrong with Edward Bok. Although he is the author of "The Americanization of Edward Bok," Mr. Bok is un-American. In proof of this I cite that he has quit work and is now attempting to Do Good, and conducting a vigorous propaganda to induce other business men to do likewise. Bok is ashamed to work. He is ashamed of profits. He regards trade as inferior. Doing Good, patronizing the stupid and weak, giving the people something they don't want, is his idea of a worthwhile life.

I contend that no 100 per cent American subscribes to such a doctrine. The 100 per cent American dies in harness. He desires no monument other than his works as a pro-

ducer. The American understands that a first-class executive can do more good at the head of a great corporation than he can by making poor speeches or writing worse poetry. No greater calamity could befall this nation than that its business geniuses should resign their positions to direct symphony orchestras and little theaters. The 100 per cent American understands this and he laughs at his European-minded compatriots who go in for uplift.

We Help Others to Help Us

THE 100 per cent American believes in the doctrine of selfishness, although he is often ashamed to admit it, a fact which leads him into bleary sentiment when he undertakes to define service. The American idea is that every man is out to promote his own interest, and he has discovered that the best way to do this is to make himself useful to others. In the ratio that he helps others he will prosper.

When a man quits productive work to Do Good, the American asks: "What's he after?" It is inconceivable to a 100 per cent American that anyone except a nut should give something for nothing. When funds are raised for charity in an American city, the question most frequently asked the solicitor is, "What are you getting out of this?"

The John D. Rockefeller who gives away millions is not a hero, but the Rockefeller who made a billion dollars out of oil is a hero. The Carnegie who made steel and millions of dollars was a hero, but the Carnegie who gave medals to heroes and built libraries was just a sweet old lady.

Every attempt at patronage by employers is resented by 100 per cent Americans. Welfare work of employers has been a failure, except when the employer frankly admitted that his motive was selfish.

An American Credo

BE IT known then that I am one of those who likes the smell of the United States. I AM For beans baked with pork, For a whopping wheat crop, For fat hogs, For steers with elephantine buttocks, For hulking vessels loaded with iron ore from the Lake Superior region, For the coal that lies under the foothills of the Alleghenies, For ballasted highways stretching from the Atlantic to the Pacific, For gleaming steel rails, For mogul locomotives, For powerful hydroturbine engines, For steam shovels, For corned beef and cabbage, For planked steaks, Idaho baked potatoes, For Fred Harvey restaurants, For Union League Club leather chairs, For Havana perfectos, For transatlantic liners, For the telephone, incandescent lamp, vacuum cleaner, bathtub, coffee percolator, For the Ford car, For the subway and the elevated, For the soap that floats, the electric cigar lighter, and a record production of steel.

I AM For structural iron workers, For bricklayers, For steeplejacks, For toolmakers, For the inventor of the reaper, For the manufacturer of yeast cakes, For the orange and raisin grower, For the operator of railroads.

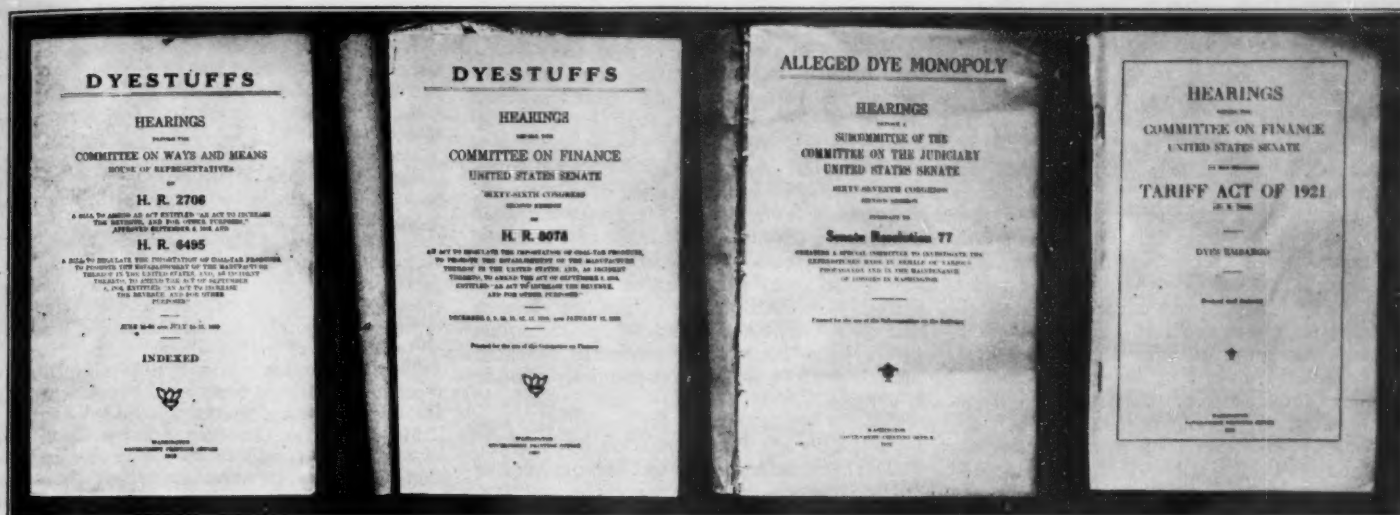
THE UNITED STATES that I love builds fifty-four story buildings, Breeds the world's champion heavyweight, Eats flap-jacks with maple syrup, Busts straw hats at baseball games, Owns more automobiles than all the rest of the world, And builds public schools that look like palaces.

This civilization will not express itself until those who are repressing us let us do things our own way. The influence of European traditions is still so strong that we are hobbled by them. When the straps are cut, watch out! Then we shall have American literature, American art, American drama, American economics, and a hot time in the old town. The expression will not be marked by dreariness and despair, but by hope and ecstasy!



Europe still depends on muscle power; America makes machinery do the heavy work. Here is an Italian and her small daughter harvesting hay. Below is the American way





"A few years ago the question of helping the young dyestuffs industry was up. Before it was finally disposed of there were four sets of hearings, two in the House and two in the Senate. More than three thousand pages of testimony were taken"

The High Cost of Investigating

Congressional Inquiries, Like Other Things, Can Be Overdone, Suggests the Chairman of the House Appropriations Committee

By MARTIN B. MADDEN

Member of Congress from Illinois

THE CONGRESSIONAL inquiry is a useful and legitimate means of bringing out information upon which to base legislation.

Let's agree upon that, but the Congressional inquiry, like other good and useful things, can be, and is, abused—abused to the point of wasting the public money and public time.

Take one subject, coal. The 63rd Congress met first on April 7, 1913; the 67th Congress closed its session on March 3, 1923, just under ten years. In that time there were held these hearings on coal:

In the Senate:

| Congress | Committee | Pages |
|----------|---------------------|-------|
| 63rd | Naval Affairs | 901 |
| 63rd | Public Lands | — |
| 65th | Manufactures | 1,788 |
| 65th | Interstate Commerce | 26 |
| 66th | Interstate Commerce | 1,139 |
| 66th | Special Committee | 770 |
| 66th | Manufactures | 2,235 |
| 67th | Education and Labor | 1,078 |
| 67th | Interstate Commerce | 43 |

In the House:

| Congress | Committee | Pages |
|----------|------------------------|-------|
| 63rd | Public Lands | 166 |
| 63rd | Int. and For. Commerce | 47 |
| 63rd | Int. and For. Commerce | 24 |
| 63rd | Mines and Mining | 2,513 |
| 64th | Labor | 21 |
| 66th | Int. and For. Commerce | 24 |
| 67th | Int. and For. Commerce | 48 |
| 67th | Labor | 561 |

More than eleven thousand printed pages, five or six millions of words!

Coal is only an instance. The list might be multiplied to the point of weariness.

The Congress is awake to the possibility of saving in these hearings. Leaders of the Senate made a good beginning a few months

ago to stamp out one form of this waste when they established a rule that resolutions calling on the various branches of the Executive for information should receive scrutiny of committees before being acted upon. Upwards of fifty resolutions have been offered in that body since last December calling for information of one kind or another from virtually every one of the ten Executive departments and from several of the independent branches, in addition to the proposals to conduct investigations through standing or special committees. Similar requests are constantly coming before the House.

Few have got by this year.

Congress Gets the Facts

THERE is no desire to cut off legitimate and useful requests. It is one of the big functions of Congress to get facts. The recent inquiry into the rubber situation by the House Committee on Interstate and Foreign Commerce brought to light some valuable information. Hearings and resolutions of inquiry are indispensable at times, and some of the duplications in the long run are economical because they save in other ways.

But there is a limit, which the Senate leaders set out to fix. Here is an illustration of what they are fighting. It shows how one proposed inquiry was checked, and is a sample of others not checked.

A proposal was made in the Senate Committee on Interstate Commerce to send out a resolution asking the Interstate Commerce Commission to conduct an audit of the books of the railroads of the country for the purpose of checking up on their returns. Regardless of the wisdom or lack of wisdom of the proposal, it was learned that to get this information would require the entire time of

all the personnel of the Commission for several months to the exclusion of the performance of its normal functions. The project was abandoned.

It was in this same committee that there was an effort on another occasion to get at the cost of Pullman car advertising, and this, too, was abandoned because of the expense that would attend the gathering of that information.

But countless other resolutions have gone through, calling for reports on nearly every subject that could be imagined, and the departments have had to turn over their forces to gathering the material. Other business has had to wait, and where experts are necessary to get the data in shape, the cost runs up quickly.

There is one storeroom in the Senate wing of the Capitol filled with such reports which were not deemed of sufficient worth to find their way into print.

What do these inquiries and investigations cost?

Recent Inquiries Costly

SENATOR WARREN, chairman of the Senate Committee on Appropriations, recently made a little survey which disclosed that Senate inquiries and investigations alone have cost nearly \$1,500,000 since 1910. For the current fiscal year, 1926, he estimated that \$275,000 would be insufficient to meet the bill.

Senator Warren hit the nail on the head when he said:

"The particular point I want to make is that these large sums ought to go into a resolution, joint or concurrent, so that both Houses might concur concerning the expenditures, rather than to be handled as we have been handling them of late—allowing

these resolutions almost to run wild."

The annual reports of the Public Printer throw some additional light on the cost. Hearings of Congress printed in the fiscal year 1922 cost \$122,739.82; and in 1923, \$65,345.53, or \$188,085.35 for the 67th Congress. In the fiscal year 1924 they cost \$226,530.24 for a total of 52,619 pages of testimony.

These are not impressive figures in the total bill of a government whose annual expenditures have climbed into the billions, but there's another side that must be reckoned with. They are time-eaters. A hearing calls busy men from all over the United States; sometimes it calls them back the next year to go over much the same ground.

Many thousands of dollars have been spent on these "special hearings," much of it properly, but much of it on duplicated testimony. I have cited the figures as to coal. That's only one instance. Think of agriculture, Muscle Shoals, the Shipping Board, postal rates and salaries, the proposed Department of Education bill, radio. Prohibition is new on the list, but perhaps we shall yet add it to our collection of hardy annuals.

Helping a Young Industry

A FEW years ago the question was up of helping the young dyestuffs industry to get on its feet. Before it was finally disposed of there were four sets of hearings, two in the House and two in the Senate. More than three thousand pages of testimony were taken. Three of the witnesses, two of them business men, were present in all four hearings, while eleven others were at three of them. Some four hundred pages of testimony were taken from the three who were at all, and nearly one thousand pages from the eleven who attended only three of the hearings. Could not some of that have been avoided by intelligent use of the economy knife?

The duplication of hearings, inquiries and investigations does not spring only from Congress. We are constantly fighting in the Committee on Appropriations against attempts within the departments to duplicate

work being carried on in other departments. We are checking them every day in an effort to avoid the tremendous waste that is involved in the aggregate. One department or bureau will be doing something, and another will come along with a request for funds to do the same thing.

I recall an instance that occurred when the oyster was under suspicion of carrying the typhoid fever germ. The Department of Commerce, through the Bureau of Fisheries, came up for an appropriation of \$25,000 ostensibly to study this question. Immediately I asked how the Bureau of Fisheries got into that field. They said that they wished as well as they could to promote the business and make the industry commercially greater in volume.

Twenty Pamphlets on Oysters

I DID not agree that it was the business of the Government to promote the industry. To give information was the way I thought the work had to be done. Some twenty pamphlets have been printed from various branches on every phase of the oyster industry, including ways to cook them.

I asked if they would not be repeating the work of other governmental agencies like the Bureau of Chemistry in the Department of Agriculture and the Public Health Service. Before our committee were Henry O'Malley, Commissioner of Fisheries and Lewis Radcliffe, Deputy Commissioner. The following instances of how the subject was developed will suffice:

THE CHAIRMAN. Has not the Public Health Service work been especially devoted to the study of that whole problem, as the food supply may or may not be contaminated, and is it not possible for you to get such information as they possess, in that connection, without undertaking to make an original investigation of the questions that have already been investigated and are being investigated by the Public Health Service, so that the work will not be duplicated?

MR. RADCLIFFE. This is not duplication; we do not propose a duplication of work.

You have had extensive investigations by the Bureau of Chemistry in connection with the enforcement of the pure food and drugs act, and when the information they needed was not

available, they have carried on such investigations, as I understand it.

We feel that we are representatives of the industry. The Public Health Service, as I understand it, is concerned with the public health.

THE CHAIRMAN. Is not that the whole question at issue here?

MR. RADCLIFFE. I think it is more than that.

THE CHAIRMAN. Tell us what more there is to it. That is the most important element there is in it, and the only element, as I see it.

MR. RADCLIFFE. The Bureau of Chemistry is concerned, under the pure food and drugs act, as to whether certain food is proper food to enter into interstate commerce. We are concerned with the proper maintenance of a source of food, and the industrial side.

THE CHAIRMAN. Where does the Department of Agriculture come in in connection with the question of the source of food?

MR. RADCLIFFE. In order to know when these oysters are in transit to the point of consumption, they need to know something about the source, whether they came from contaminated beds or not.

THE CHAIRMAN. That information can be ascertained from the Public Health Service, and I take it they make an investigation of it. It seems to me a communication to the head of the Public Health Service would bring a reply as to whether or not they are contaminated.

And again:

MR. RADCLIFFE. I would like to make this statement: The poor oysterman does not know whether he is going or coming. He is between regulations by the Bureau of Chemistry, the Public Health Service and the state commissioners and the state health authorities, inland, and an apparent lack of standards. He gets reports that he cannot understand. What we are trying to do is to work out a program under which we would have all these different agencies coming together here in one center, to get this initial work started and have this put in operation. That is what we are asking an appropriation for. We are not trying to do the work of Dr. Cumming or the Public Health Service.

THE CHAIRMAN. It is not a question of whose work you are trying to do. It is a question of why you invade a field that is being covered. Who put the embargo on the shipment of oysters?

MR. RADCLIFFE. That was done by the state



Shun
but not so
well as
Sir John
Tenniel

department of health in Illinois.

THE CHAIRMAN. That was state action?

MR. RADCLIFFE. That is my understanding.

THE CHAIRMAN. Now, if the state has something to do with it, how are you going to remedy that?

MR. RADCLIFFE. What we hope to do would be to get all these various agencies together and work out a standard so that when oysters come from Maryland, for instance, they will be acceptable in Illinois, in Ohio, or in any other state.

THE CHAIRMAN. Was this estimate for \$25,000 prepared in consultation with the Public Health Service, with the authorities of the State of Illinois or any other state, or with the Department of Agriculture, or with all of them or with any of them?

MR. RADCLIFFE. Not this particular item. This was an outgrowth—

THE CHAIRMAN (interposing). But you went on to take over all their functions, the state functions, the Agricultural Department functions, the Public Health Service functions, and

you are going to start to do something that has already been done.

This satisfied us that the appropriation was not necessary in that particular instance, but money was finally allowed for the Public Health Service. A plan of coordination was worked out, so that now the state government will certify to the physical perfection of the oyster, the Public Health Service will certify to the accuracy of the state certificate, and the Agricultural Department, which is charged with the enforcement of the Pure Food Act, sees to it that no impure or unclean oysters are permitted to go into interstate commerce. A plan was adopted in this manner through which the typhoid problem was eliminated absolutely, the work of the departments was coordinated, the scientific branch which ought to have handled it, did so, and all branches were left with their respective functions without overlapping.

This story of the oyster is typical of hun-

dreds of others that might be told. We always knock these things out when we find them. There are a good many just as important from a financial standpoint as that, and we are making our work just as effective. Whenever we find any duplication, we always try to eliminate it if we can in everything that comes to our attention, because it means money.

I have no intention of going into the whole question of preventable wastes in government, only to point out the duplication of inquiries and investigations and the mass of expensive and frequently—perhaps usually—unread matter that pours from the Government Printing Office. The Public Printer tells us that in the fiscal year 1925 more than 2,500,000 useless copies of publications were disposed of as waste paper, while millions more "will have to be consigned to the scrap heap year after year."

I hope we have fewer investigations "to be consigned to the scrap heap."

When Farm and Factory Team Up

By Dr. CHARLES M. A. STINE

Chemical Director, E. I. du Pont de Nemours & Co.

THE UNITED STATES today is on the threshold of a new era in its national development—a period of coordination. What this country has experienced in the past, through mass production and distribution in industry and commerce, and through co-operative farming is the stepping stone to this new era of combining in harmonious action the agricultural and industrial forces of the nation.

Through the skill and the research of the chemical engineer, this coordination is being made possible, practical and profitable today both to agriculture and industry because the factory consumption of our crops is being increased; waste products from the farm are being utilized in the manufacture of commercial articles; our home markets are being expanded and new world markets are being opened.

While there was a time when a farm was a farm, and a factory a factory, the acre now is common to the factory manager and the farmer. There are acres of industrial plants as there are acres of land, but the chemist has made the acre an even more common denominator. Today the farm is no longer an exclusive producer of food. The diet of a factory is not limited to minerals. Factories today consume food products and other products of the soil, which are transformed into materials and substances which in no way resemble the original crop.

Making Overproduction Pay

THE CHEMIST is demonstrating in industry today that the vicious cycle of agricultural overproduction and waste may be changed into a benevolent business cycle by transforming corn, wheat, cotton, rye, barley, milk, wood, straw, husks and bagasse into a thousand and one commercial products—from motion picture film, shoe horns, printer's ink, glue, wall board, dynamite, floor coverings, airplane "dope" and radio

MAKING by-products grow where only waste-products grew before.

That is the task set for this country, says an eminent research chemist, Dr. Charles M. A. Stine. On these pages he tells what is being done—how the farmer, the industrialist, the professor, and the manufacturer team up to produce new and necessary commodities from materials that farmers once threw away.

parts, to articles resembling marble, metal, leather, ivory, silk, pearl and linen.

Two years ago, in an article in NATION'S BUSINESS, Julius H. Barnes asked:

"Does agriculture have to rest its future in the hope of expanding the individual stomach consumption? Cannot a large part of farm acreage be devoted to raising those things called for by industrial production? The buying power in industry is one of the marvels of the economic history of the world. How can you reach America's vast buying power to the advantage of agriculture?"

The chemical engineer is answering these questions today by producing fertilizer for the farm in order that the farmer may grow better and larger crops; by utilizing, in turn, millions of tons of farm products and waste materials in the manufacture of useful articles, which the farmer can use in his home, on his farm implements, his automobile or his barns. Most of these commercial articles find an even greater market in our urban centers so that "America's vast buying power" is being opened to the farmer via the factory.

This cooperation has been going on for several years. Today the rayon, marble, metals, fibers and finishes produced industrially from farm products have not only increased the farmer's markets, but they have added new commercial values to other products.

Men and women whose lives span the past fifty years have lived through an era which

proves the old French observation that "revolutions are not made with rose water." We have had industrial revolutions, agricultural revolutions, revolutions in education, electricity, transportation and communication, in which the blood and sweat of peoples and of nations have been involved. But each change, however radical it appeared to the public when it was introduced, whether it was expressed in the form of an automobile, an electric light, a telephone, a radio receiving set, a home motion picture machine, a new farm implement, a

new linen, silk or leather-like product—each change has been preceded by a period of evolutionary thought, of research and of constructive action. And they have been powerful in their economic and social consequences.

All Get Together to Create

TODAY we are on the eve of another epoch in our national development. Unlike the coal age, the iron age, the oil era, the electrical and chemical periods, this new era will find the manufacturer, the farmer, the colleges and universities, and the great industrial research laboratories coordinating their efforts and creating additional commercial products from agricultural waste materials.

When Andrew Carnegie was a bobbin boy in a cotton mill earning \$1.20 a week, cotton was used solely for textiles. Later still, when his will and personality dominated the steel industry, stainless steel, high speed tool steel, and many of our present special alloy steel products were either not on the market or were undeveloped or undreamed. Mark Twain, during his Mississippi days, observing the waste of cotton seed and stems, remarked, half in jest and half prophetically, "who knows, some day even the stems may be used!"

In 1875, when Senator Hammond of South Carolina declared in the United States Senate that "Cotton is King," neither

he nor Samuel L. Clemens foresaw that the chemical engineer would some day extract oil from cotton seed, or make guncotton out of cotton linters.

Neither could they know that the development of nitrocellulose manufacture and the application of nitrocellulose colloids to industrial use would result in the development of motion picture film, synthetic ivory with its thousands of applications, both purely artistic and highly utilitarian, imitation marble, artificial tortoise shell as beautiful as the original, but better adapted to the requirements to be served.

Nor could they know of new finishes for wood and metal surfaces of everything, from fine furniture to Pullman cars, and from children's toys to automobiles, coverings for floors, coverings for walls, upholstering materials for automobiles as well as for furniture, solutions to be found on the shelf of every drug store designed for the quick temporary repair of cuts and abrasions of the human flesh, and dozens of other new products and new and interesting adaptations to old processes.

Chemists Have Studied Cotton

FOR YEARS research chemists have been studying chemical compounds of cotton, along with gums and along with the solvents already available and new synthetic solvents, with a view to developing a new product to serve as a finish for wood and for metal to supplement the old line paints and varnishes. Although they did not approach their problem with the conscious intention of more closely linking the farm and the factory, nevertheless successful development of this new finish for wood and metals furnished an answer to Mr. Barnes' questions as to the feasibility of devoting a considerable portion of farm acreage to the production of crops which would serve as the raw materials for manufactured products.

A period of two years of practical large scale production, according to the latest reports of the United States Department of Commerce, has served to demonstrate beyond the shadow of a doubt that one of the biggest potential markets for the farm products of the United States in 1926, as well as in coming years, will be the "factory stomach."

Recently, O. M. Kile wrote in NATION'S BUSINESS that "American agriculture is in that unfortunate transition period during which it produces slightly too much food for the home population, yet it is so far removed from the pioneer stage as to be unable to compete successfully with the newer lands in supplying the bread and meat

crops for the immense foreign markets." While this is doubtless true as far as agriculture is concerned, it will not be the case as the farm and the factory are brought closer together by the chemist.

Factory consumption of corn today exceeds our corn exports. One agricultural authority estimated that, in 1923, industry consumed 280,000,000 bushels of corn. Today, as a result of the new commercial products which have been developed, it is much larger. The Department of Agriculture lists 92 commercial products, other than foodstuffs, in making of which corn plays an indispensable rôle as a solvent.

Chemists have performed even greater miracles with cotton. It has been said that chemists can put "kick" enough into a bale of cotton to sink a battleship. The story of the chemists' achievement in transforming wood pulp into rayon is now told in our public schools.

During the war, guncotton was produced on such a gigantic scale that large industries were built to manufacture this product. When the war ended, there was no longer a need for guncotton in such quantities. One of the problems facing the du Pont Company was that of making use of its war plants to manufacture peace-time products. Long before the armistice, however, our chemists were busy with cotton experiments, but not until five years later did they produce a new and completely satisfactory finish for automobiles and furniture.

What Faced Laboratory Men

THE PROBLEM presented to the chemist was something like this:

Can you produce an air-drying finish as tough and durable as baked enamel, yet with the beauty of color varnish; a finish of sufficiently low viscosity to be applied with a pneumatic spray, yet carrying a large enough proportion of solids to have the build and covering capacity of the best varnish or enamel; and finally, a finish with a hard, glass-

like surface that can be applied to the cheapest toy or the most costly piece of furniture or automobile with the minimum expense for labor, time and equipment?

Because of the resources of the modern industrial laboratory, both the resources of equipment and of a trained, experienced and highly specialized personnel, particularly adapted to the investigation of chemical problems of modern industry, it is possible for the manufacturer to place in the hands of his chemical department a problem such as that.

Given time and adequate financial assistance, results will be obtained which, viewed simply as a finished product without a knowledge of the slow and painstaking step-by-step development involved, appear little short of marvelous.

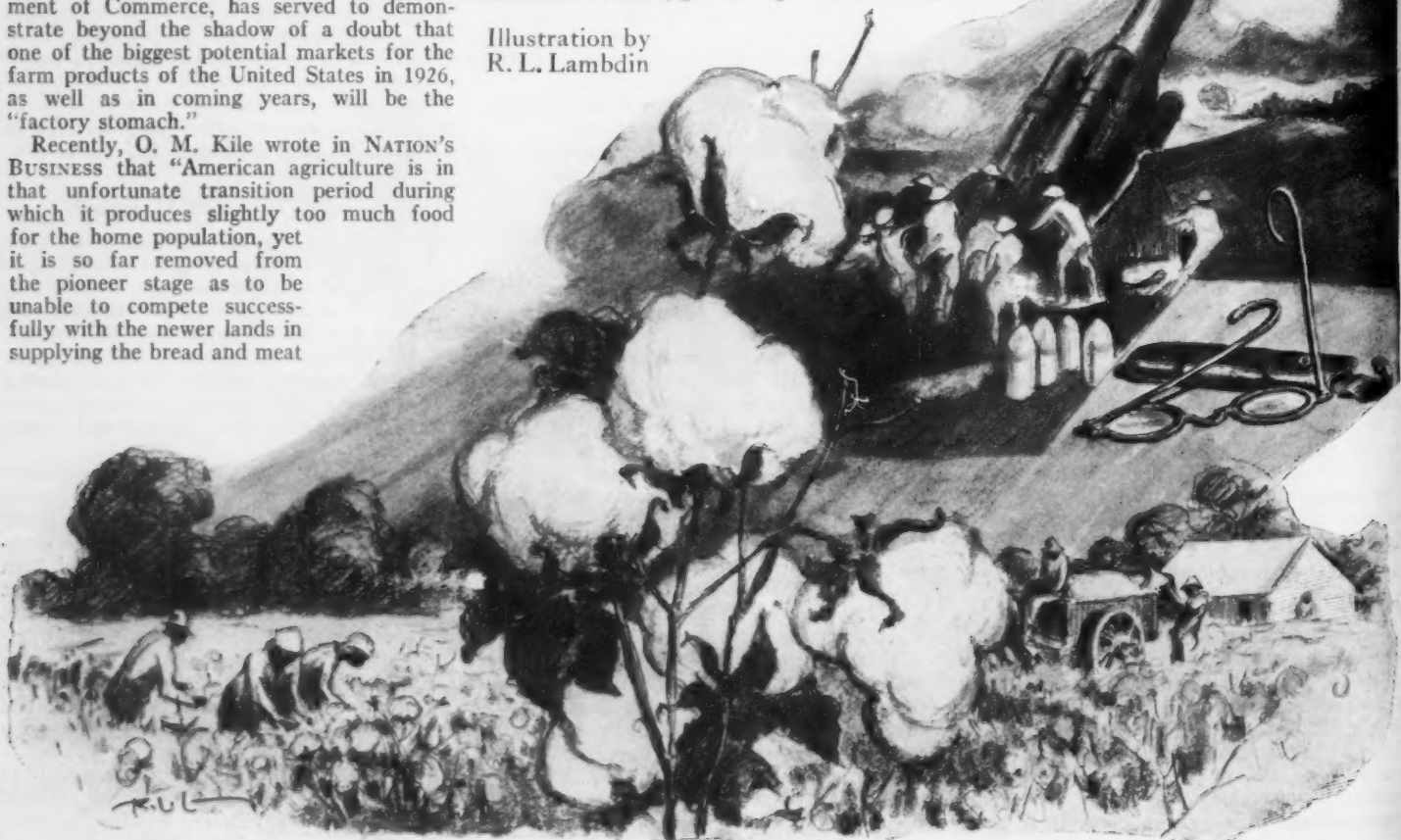
What May Not Be Done Soon?

IF THE chemist can do such things with corn and cotton, and by-products such as corn cobs and cotton seed, what may he not do with other agricultural products if he continues to labor along the line of developing uses for cheap, readily available products of the farm? Mr. Barnes was right in believing that the factory can be linked to the farm, but the leadership will not come from the farm ranks, but from the factory laboratory.

Because the pyroxylin industry is only a few years old, the statistics of the United States Government do not, as yet, tell the complete story of the importance of the industry today. The latest available reports prove, however, that we are in a "paint revolution."

On October 6, 1925, the Department of Commerce issued a bulletin based upon reports

Illustration by
R. L. Lambdin



from 502 paint, varnish, and lacquer establishments in the United States. In that report the Department stated:

"The statistics for the first half of 1925, as compared with the last half of 1924, show increases of 3.1 per cent for paste paints; 21.5 per cent ready-mixed and semi-paste paints; 13.6 per cent for varnishes, japs and lacquers and other than pyroxylin and 125.9 per cent for pyroxylin varnishes or lacquers."

Gains in the Varnish Field

"COMPARISON of the first half of 1925 with the first half of 1924 brings out a decrease of 5 per cent for paste paints, with increases of 16.2 per cent, 5.2 per cent, and 241.1 per cent, respectively, for ready-mixed and semi-paste paints, varnishes, japs and pyroxylin varnishes or lacquers."

From January to June, 1924, 33 establishments produced 1,430,700 pounds of pyroxylin lacquers. During the same period in 1925, 67 establishments produced 4,880,200 pounds. Government figures are not available for the latter part of 1925, but, based upon the fact that to date more than 2,500,000 automobiles have been finished with Duco and that it is being used extensively by other industries, it is evident that the government figures for the latter half of 1925 will show an even more astonishing percentage of increase.

It must be evident to the most conservative farmer that the "factory stomach" has even greater possibilities. But the farmer is not the only one who has profited by the chemists' research and the resourcefulness of our industries. Great industries themselves are being benefited by the cooperation of agriculture and industry. One of the outstanding reasons why the majority of the leading automobile companies were able to keep up their production schedules during 1925, without proportionate increase in factory acreage, was because the body manufacturers could turn out more bodies in less time with their present equipment than they could have done had they been forced to continue the old paint and varnish or baked enamel finishes. Where it formerly required as many as twenty-eight days to finish one body for a fine car, the same work

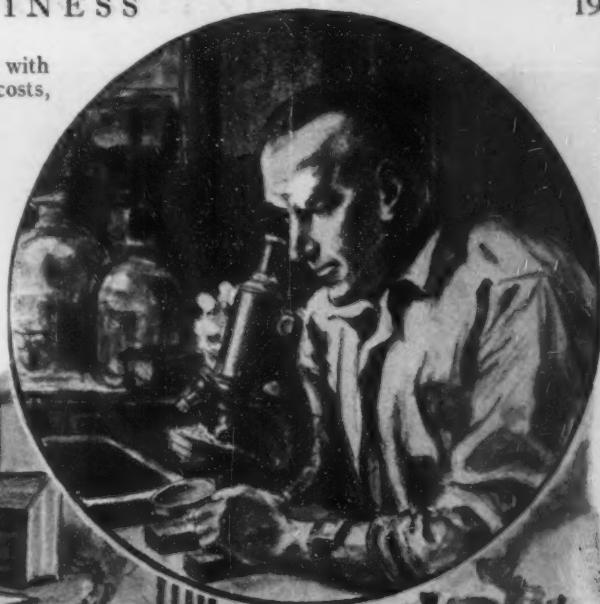
is now done in less than a week, with resulting savings in overhead costs, capital investments, etc., which were passed on to the consumer by price reductions. Railroads and other industries have had the same economical results.

The application of these new products in the wood finishing industry have resulted not only in improvements in durability and toughness, but have brought about considerable economies by greatly shortening the time necessary for the development of high grade finishes such as those required for fine furniture, grand pianos, expensive automobiles and the like. Not only has the time for producing fine finishes been shortened, but the resulting economies have put, within the reach of the every-day pocket-book, articles with a high grade finish hitherto available only in the highest priced lines of goods.

Industry Now Uses Foods

FOR MANY years the chemist has made it possible for industry to employ, as raw materials, many products heretofore classed entirely as foodstuffs. Recently, the development of methods of producing various alcohols, aldehydes, and other organic chemicals by various chemical and biochemical processes, has given a new and wonderful tool to chemical technology.

It appears likely that, with this new and mighty lever, the triune giant of industry, agriculture and chemistry will indeed move mountains. The tendency will be to utilize waste products and by-products of the farm and of our oil, coal, lumber and a great many other industries to an increasing extent for the synthetic production of such materials as are difficult to produce in the United States, either because of sparse distribution of the necessary raw materials or of unfavorable soil and climate in the case of those materials which are products of the soil. As the number of our processes for producing various materials synthetically increases, there is obviously a marked increase in the availability of the products. This all has a tremendous bearing on our standard of living, since it puts



"If the chemist can do such things from cotton and cotton seeds, what may he not do with other agricultural by-products?"

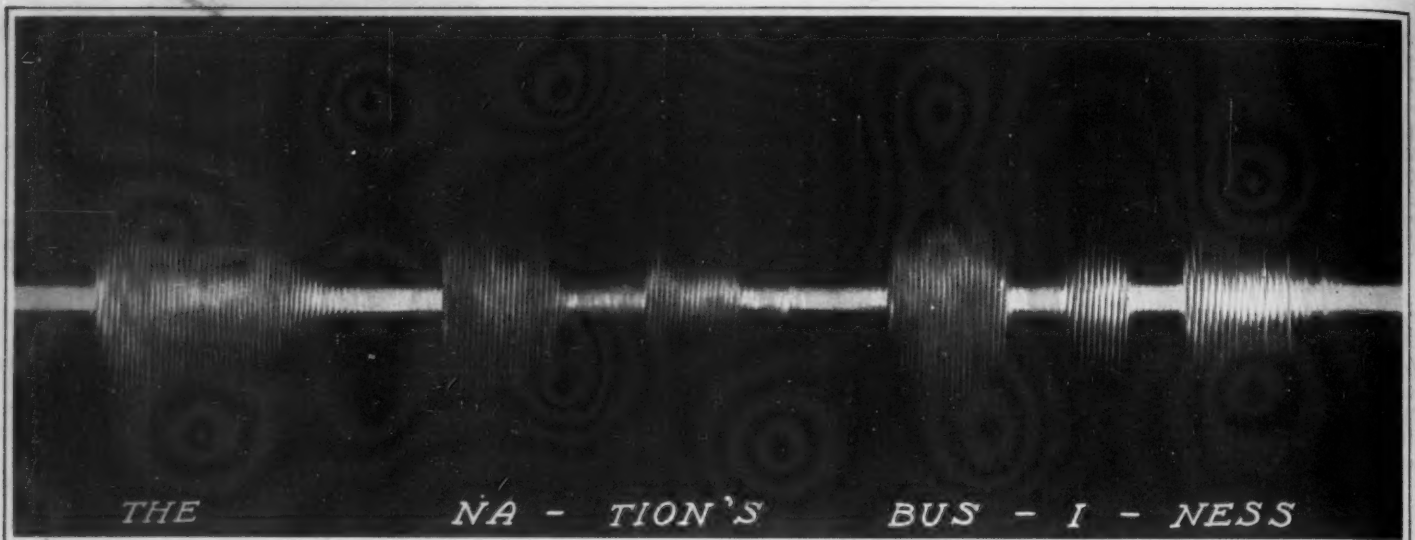
within the reach of everyone articles hitherto in the luxury class. In fact, one of the outstanding results brought about by the cooperation of science and industry is the tremendous increase in those agencies (both processes and products) which improve the health, ameliorate the living conditions, and enlarge the facilities for recreation and entertainment of the dwellers in civilized countries and, especially, of the United States.

This is due to the success which has crowned the efforts of the technical chemist to develop, from by-products and otherwise waste materials, many useful industrial products which supplement the supplies of wood, various kinds of stone, plaster, linen, ivory, silk, leather, and a host of other products; but perhaps even more particularly to the successful duplication in the laboratory of the synthetic chemist of a great many products hitherto found only in nature, many of them not indigenous to the United States.

The use of nitrocellulose or casein in the production of such materials as tiles, substitutes for marble, metal and the like is too well known to require discussion. It might be added that today a number of large industries use nitrocellulose solutions, as well as rubber, for coating and water-proofing textiles.

Steps in the Right Direction

THE SOLUTION of each new problem is simply a step forward in this development. If the history of the past twenty-five years means anything at all, it indicates, beyond doubt, that we are on the threshold of an era in American business which will have vast social and economic consequences because of our increased ability to utilize what have hitherto been regarded as waste products, and to fabricate from cheap materials of limited usefulness a host of varied and dissimilar products for improving the health and prosperity and increasing the happiness and facilities for recreation, not only of this nation, but of the world at large.



Here's the way "The NATION'S BUSINESS" looks when the words are spoken into the telephone. From a photograph taken especially for this magazine at the Bell Laboratories

The 'Phone Has Outrun Prophecy

By F. S. TISDALE

WHEN THE telephone was in its infancy a little old lady in rustling black taffeta came timidly into the Boston exchange. An attendant asked what he could do for her.

"Why," said the little old lady, "my son is in Chicago. I would like to have you connect us so that I can talk to him over one of your telephones."

The attendant explained politely that the longest line in existence was that between Boston and Salem, a distance of 16 miles. By that she could judge how far from possible it was for her to talk from Boston to Chicago. So keen was the little old lady's disappointment that they waited until she had rustled out to have their laughs. That was a good one, all right. To talk from Boston to Chicago!

One of the few who saw nothing funny in this strange idea of the little old lady was Prof. Alexander Graham Bell, inventor of the telephone. While it was still in the laboratory stage Prof. Bell's imagination showed him the destiny that lay before the crude little machine. Conversations over great distances were among his astonishing prophecies.

A Prophecy

"IT IS conceivable," he said in 1878, "that cables of telephone wires could be laid underground or suspended overhead, communicating, by branch wires with private dwellings, country houses, shops, manufactories, etc.—uniting them through the main cable with a central office where the wire could be connected as desired, establishing direct

communication between any two places in the city.

"Not only so, but I believe, in the future, wires will unite the head offices in different cities and a man in one part of the country may communicate by word of mouth with another in a distant part."

New York to San Francisco

PROF. BELL lived to see his prophecies fulfilled and excelled. In 1915 he sat in the New York office of the American Telephone and Telegraph Company and talked over a wire stretching 3,400 miles to San Francisco. The man at the other end was Thomas A. Watson—the same Thomas A. Watson who constructed Bell's first telephone and heard the first words spoken over it.

Prof. Bell is dead, but Watson is still alive; from the little instrument fashioned by his files and lathes has grown the largest business organization the world has ever seen.

The telephone is fifty years old this year. It was an American invention, and it remains primarily an American institution and habit. Through its universal adoption in this country the telephone has grown to such a size that you must go to astronomy to find figures that match its statistics.

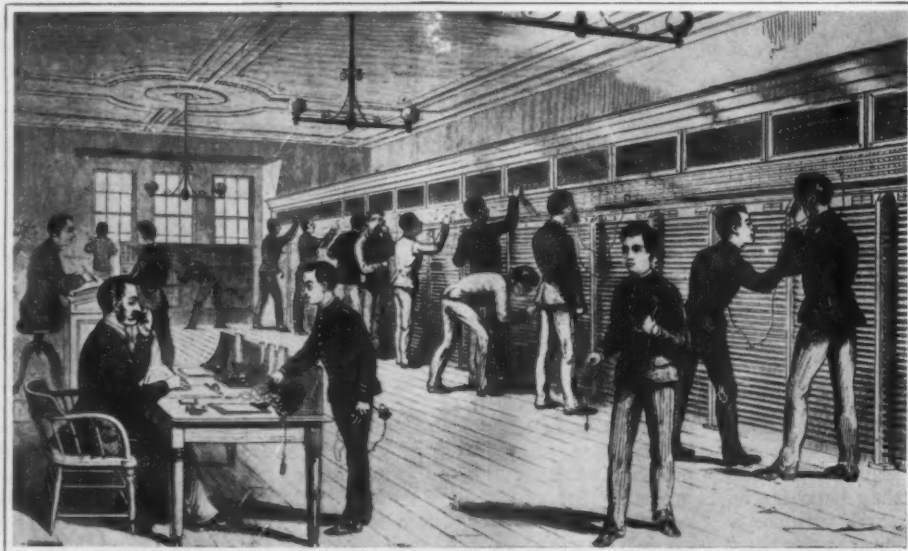
There are in the United States more than 16,700,000 'phones, which means one to every seven persons in the country—counting the babies, old folks and flappers. Our national total is 61 per cent of the world's telephones; we have far more than all the rest of the world put together.

Sixty-seven Million Calls

IF ON a certain day half the people in the country called up the other half, the total number of calls would fall short of the daily routine of the business; last year there were 67,300,000 calls every twenty-four hours.

When the earth's faithful companion, the moon, is in her closest and most affectionate phase she is 238,857 miles away. There are enough telephone wires in the United States to run some 210 strands to the moon, with a good many thousand miles to spare. The 52,200,000 total of wire mileage is almost enough to envelop the earth in a copper cocoon.

It is a curious fact that Prof. Bell was working on another apparatus when he discovered the principle of the telephone. He was a teacher of deaf mutes, and, to fit himself for that field, had made a profound study of the science



An early day "central." The Cortlandt Exchange, New York. Women hadn't yet come into their own in the talk industry

of sound and speech. In 1874 Bell was experimenting with the "Harmonic Telegraph" by means of which he expected to send six or eight Morse messages over a single wire at the same time. He was born in Scotland but was then living in Boston. Thomas A. Watson was a practical young mechanic who made the instruments and helped the inventor in his tests.

The possibility of transmitting speech over wires was in the back of Bell's head all the time. In June, 1875, an accident to one of the experimental telegraph instruments caused vibrations to be reproduced on a similar instrument in another room. The speaking telephone was born when Bell caught the hum and realized what it meant. He and his assistant deserted the Harmonic Telegraph and began working feverishly on an instrument that would carry the human voice.



Theodore N. Vail, first to see the tremendous possibilities of the Bell invention, the organizer who made possible its wide utility as an indispensable adjunct of modern communication

Any history will give you the first message sent by telegraph. The event was properly staged and the natal words clicked off by the instrument were the sounding, "What hath God wrought?" The telephone spoke first under entirely informal circumstances, and its message was uninspiring and commonplace.

The First 'Phoned Sentence

ON MARCH 10, 1876, Bell and Watson were working in different rooms of a house in Boston. Each had an experimental telephone before him. Bell spoke into his instrument,

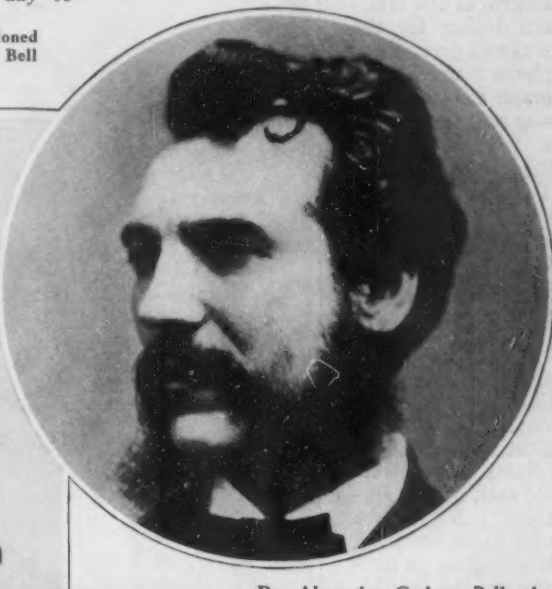
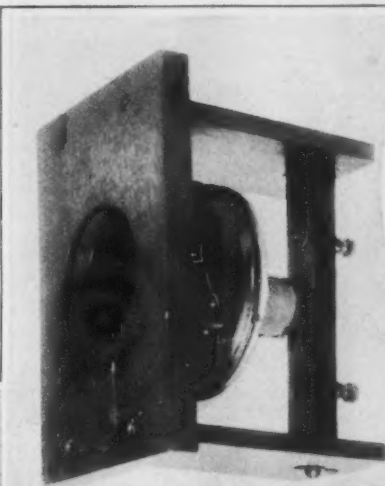
"Mr. Watson, please come here. I want you."

A minute later Watson burst into the room, wildly excited. He announced that he had heard the words—the first full sentence spoken over wires.

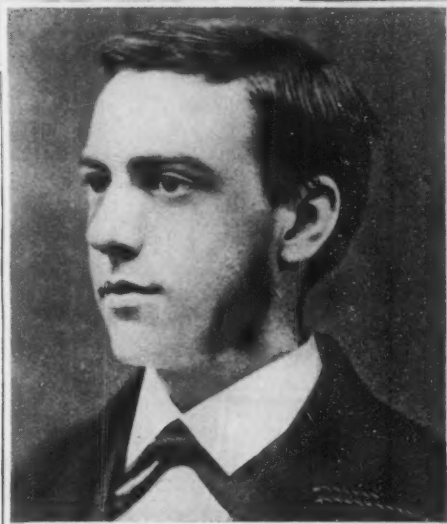
In the simplest words, this is what Bell's telephone accomplished: The sound of voice sends off waves of vibrations. These vibrations vary with the modulations of the words. The telephone had a disc which was vibrated by the sound waves. These vibrations were carried along the wire by an electric current to the other telephone instrument. Here the electric current encountered another disc. This disc was vibrated by the current exactly as the first disc vibrated with the sound waves from the spoken words. The duplicate vibrations of the distant disc resounded the words.

That is all there is to it. Many an inventor wanted to kick himself when he saw how simple it was. Moses G. Farmer, a pioneer in electricity, came in one day to

Dr. Bell's first instrument looks as old-fashioned as the contemporary photographs of Vail, Bell and Watson



Dr. Alexander Graham Bell, the inventor, who spoke the first word ever reproduced by telephony, to Thomas A. Watson, in Boston, in 1876



Thomas A. Watson, who heard the first 'phone message

see the first instruments. He told Watson with tears in his eyes that he couldn't sleep for a week after reading a description of Bell's invention. He was furious with himself for not having discovered the principle years before.

"Why," he wailed, "that thing has flaunted itself in my face a dozen times in the last ten years. I was too blind to see it. But," he added, "if Bell had known anything about electricity he would never have invented the telephone."

A New Servant to Humanity

FEW REALIZED the vast importance of this new servant of the human race. But interest in the inventor and the invention was intense. Doubters called Bell a fraud and the telephone an impossibility. Visitors, both lay and scientific, came in swarms. Two earnest Japanese made copious notes and marvelled that the thing spoke Japanese as well as it did English. The telephone had a curious trick of paralyzing the tongues of men who were fluent enough by nature and profession. A prominent lawyer stalked in one day to examine the marvel. Watson went into the other room, and the visitor heard the little instrument say,

"How do you do?"

The lawyer was aghast. There was a long and speechless pause. Finally, realizing that a polite question had been asked and that

he ought to make some answer, he put his lips close to the telephone and shouted, "Rig-a-jig-jig and away we go!"

In those early days you yelled "Ahoy!" when you answered the 'phone. When the instrument came into general use that salutation was discarded in favor of the less-nautical "Hello!"

"Fake," Said Some

BELL had discovered a great principle, but neither he nor his backers knew what to do with it. Believers called the telephone an "electrical toy" and skeptics called it a fake. The invention got tardy recognition at

the Philadelphia Centennial through the accident of its being noticed by the Emperor of Brazil. To fan the public interest Bell traveled about giving lectures and demonstrating "the box that talked." All the time he and his financial backers, Thomas Sanders and Gardiner G. Hubbard, were seeking a way to market the wonder and at least recover the money they had put into it.

The Western Union Telegraph Company was then the power communication. It was offered all the Bell patents for \$100,000. The Western Union turned down the proposal, and turned it down cold. It was a terrible blow to the hard-pressed Bell people, but they laughed last and longer. Steadily the telephone was improved, and slowly the use of it grew. The Western Union finally saw that it had made a mistake and would have gladly bought those same Bell patents for \$25,000,000. Since the Bell patents were not now available, the Western Union called in Thomas A. Edison, had him design a telephone instrument, and went into the business on their own. The Bell interests sued for patent infringement, won their case, and from that time progress has been uninterrupted.

The closing incident of the Bell-Western Union affair came years later when Theo-

dore N. Vail was president of the former. Vail bought control of the Western Union for the American Telephone and Telegraph Company. It was said that he did it without consulting his associates. Thus it came about that the Western Union, which at one time had disdained buying the Bell, was in time bought by the Bell. Vail saw communication as one national problem; he visualized the two great companies as helping and perfecting each other's services. But there were questions from Washington concerning the combination lest it threaten a monopoly in communications, and the American Telephone and Telegraph Company voluntarily disposed of its Western Union stock. This was in 1913.

It was largely due to Vail's genius that the telephone is such a competent and universal part of American life. Like many another great executive, he got his start with the Government. At thirty he was superintendent of the Railway Mail Service of the United States. His brilliant record attracted the attention of the Bell interests, and he was induced to join them. Vail became head of the American Telephone and Telegraph Company in May, 1907. It was then that he began in earnest to make realities out of the tremendous dreams which had long been in his brain.

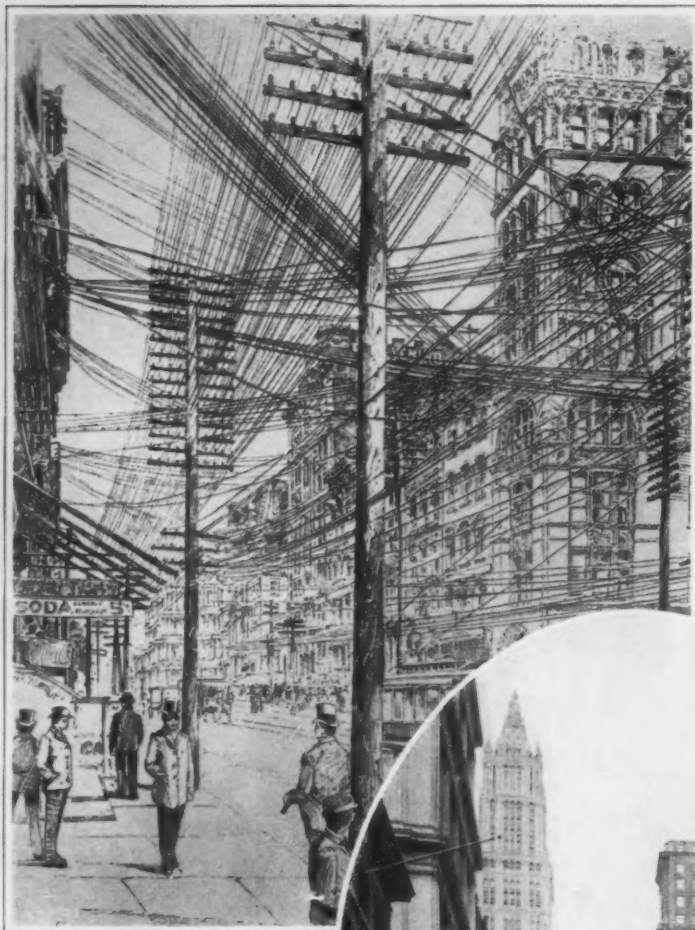
The Vail Spirit Goes On

VAIL is dead. But executives of the A. T. & T. will tell you his spirit still carries them forward. Here is an example of his uncanny trick of thrusting at the heart of the company's problems:

In the old days all long-distance wires were carried through the air on poles. Along came a blizzard. It coated the wires with casings of ice; it dragged the poles down and blew them over. The morning found the lines in a most unholy snarl. Communication between Washington and New York was cut off. While linemen struggled to untangle wire puzzles that had once been telephone circuits, the awful facts were laid before Mr. Vail. When he had heard it all he spoke four words,

"Get those wires underground!"

The engineers were stricken temporarily dumb. What he proposed was impossible. The cost was almost beyond computation. Even if the money were available there were a dozen engineering obstacles to block the laying of so much cable. They entered into long and involved explanations.



Contrast the Bowery and John Streets, N. Y., in 1890, and the same intersection as it appears since Theodore N. Vail ordered, "wires underground"

"It can't be done," they told him.

Vail did not bat an eyelash. "Get those wires underground!" he repeated.

They got those wires underground.

Not only that, but getting wire underground is to this day a passion with the A. T. & T. Each year they count with satisfaction the miles of lead-covered cables which have been decently interred in tile conduits. Over these snug wires little old ladies in Boston talk happily to sons in Chicago, and less happily New York sales managers demand of subordinates in Denver why the heck they didn't land that order.

A Real Service Monopoly

THE TELEPHONE business is a natural monopoly. Any person who has lived in a city with two battling companies which refused to connect subscribers appreciates how senseless and maddening such competition can be. To the vast Bell System the country owes its uniform and universal telephone organization. The telephone instru-

ment in a Boston office is exactly like that in the bower of a Hollywood movie queen. The "Num-ber, pie-ase" of a Spokane operator has precisely the same inflection as that of an Atlanta operator—though geographical laws may soften somewhat the Georgia consonants.

The Bell System gives universal service through connection with smaller local companies. Of the 52,200,000 miles of wire in the country, 45,473,540 is Bell, 6,426,460 is of connecting companies, and 300,000 belongs to smaller concerns which do not connect.

Vast Interconnecting System

THE American Telephone and Telegraph Company is the holding company which combines the strength and coordinates the activities of the Bell System. It is the general staff which plans the physical and financial campaigns of the twenty-six local operating companies. The A. T. & T. owns and operates the long-distance lines, and it owns the Western Electric whose 40,000 workers devote themselves exclusively to the manufacture of Bell equipment. Other subsidiaries are the Bell Telephone Securities Company, which markets the system's stock, and the Bell Telephone Laboratories, which works out the companies' scientific problems.

We are told that few brains can comprehend figures as high as one thousand. If this is true, there seems to be but one thing to do with Bell statistics—that is, to get a ruler and compare their inches with similar figures from other sources. If you are ready—The Bell investment in plant and equipment is \$2,568,631,019. Its net income last year was \$107,405,046.15. After paying \$9 per share on capital stock more than \$25,000,000 was carried over to reserve and surplus.

There are 293,095 Bell employees and 362,179 stockholders. That is, enough human beings own Bell shares to people a city as large as

Indianapolis.

Of the fifty years that mark the telephone's age, the first twenty were occupied in finding a system that would work. That leaves thirty for the development of the phone as we know it. In that time the Bell System has grown into the world's greatest business corporation. Wise management had much to do with it. But there was something else. Here is how it was explained by a foreign observer writing for the *London Times*:

The (American) telephone was a free citizen in a free country. When we consider that the existence in England of a state monopoly in telegraphy has resulted in reducing the value of the telephone to the British public by about 80 per cent, and in depriving the country of a great industry, we realize the immense advantage which it was to the telephone in America to be born free

Lawmaking Still Runs Wild

By AGNES C. LAUT

Author of "Lords of the North," "Freebooters of the Wilderness," "Vikings of the Pacific," etc.

THOUGH the world's first great law-giver codified all the regulations needed for civil and religious life into exactly ten rules, and a greater than Moses put His code in two rules, the lawmakers of the United States in the year 1925 had before them 40,986 laws and succeeded in jamming through 13,018.

That total of 13,000 new laws was for one year only.

If you figure as many laws are passed every year, for ten years we have 130,000 new regulations for contract and conduct from bootlegging whiskey to reading the risqué, from eats and heats and ash pans and baseball fans to free speeches and legal leeches and radio waves and wage slaves and strike-breakers and strike-makers.

State and Federal Laws

THESE laws are solely state and federal, not municipal nor county regulations; and if you doubt the figures, please write to the National Industrial Council, Church Street, New York, and get a condensed list of what the law mill grinds out each year, and who pays the bills, and what the enforcement costs and how many jobs are created, first to issue the laws and second to enforce the laws.

Then you will have a dizzy idea why taxes go up, and who pays the taxes, and who gets the taxes. It's all right if you like it. I'm not objecting. I'm just stating a fact. If all the bills proposed in one rich middle-western state in 1925 had passed, it would have added to the indebtedness of that state a billion dollars. Put the rate of interest at 4 per cent. Figure the tax for yourself.

At least 75 per cent of the surplus laws proposed are to extract and exact the dollar from thrift's pocket.

I do not subscribe to the charge that we are "a nation of law-breakers." There never was an era in the human race when the ten laws or the two laws were more closely followed in private and public conduct and contract; but I do say there is no man, woman or child living in the United States, no corporation and no individual, who knows even 10 per cent of the laws passed in 1925 alone, which each is expected to obey.

Let us take the laws on railroads.

Though we have created an Interstate Commerce Commission to regulate the great public carriers in their intricate and complex and conflicting service, there are on the federal statute books alone 5,000 laws with penalties governing railroads. There are on the state statute books 200,000 laws governing railroads.

Rails run from state to state. What is lawful in one state isn't in another. Rails are subject to both sets of laws, state and federal, with a lovely mix up and conflict between state and federal and state and state, which keeps "the scribes and lawyers and Pharisees" busy interpreting the law.

Does the corporation pay the cost of the courts and the fee? It does not. The public pays it in increased passenger fares and freights and in diminished returns on investment; and the public pays it in taxes.

I want to specify some of these laws to show how sensible, or thoughtless, or stupid we are. I shall not specify where these laws were passed; but I have name of state and copy of law lying under my hand as I write.

The first classic and oft-quoted example of a law gravely enacts that "if two trains meet at parallel sidings on a crossing they must stop and neither pass till the other pro-

don't know, but the engine was put to rights.

The strikers presented that railroad with a bill for \$60. It was fought out in the courts. The train that ran out hadn't "a full crew." The road won, but who paid the cost of the suit? The public, of course. Or take another almost similar case, when there was no strike. This time, the repair was so small it cost the road only \$11; but the man who did the repairing ran out on "a non-full crew" in a state with "full crew" laws. This time, the road was presented with a bill for over \$40—what a run with "full crew" would have cost. I don't think this case was ever taken to the courts.

Laws on rates are now rigid and can only be changed by permission of the Interstate Commerce Commission, but the Interstate Commerce Commission recognizes that emergencies arise which must be met on the instant.

At a certain station in one of the hard slump years, when stock was dying for lack of hay and hay was selling at \$75 a ton, 200 tons lay rotting, which a buyer had failed to claim. The farmers at a station on the same line, where stock was starving, could not afford the scheduled lawful rate.

Clerk Settles Question

ON HIS own responsibility, without waiting for Interstate Commerce Commission to grant leave to change the rate, the young shipping clerk shoved the hay along the line and charged

exactly what the hard-pressed buyers could afford—which was one-third the scheduled rate. All that saved that young shipping clerk being fired and the road being fined was that the road went into the hands of receivers. Just before it was declared bankrupt, on the ground it had broken the law, a suit was being filed by its enemies to prove the regular rate was extortion because of that one emergency act.

In one of the sanest states in the west there is a law on the statute books that, if "a rate charge be unreasonable, the rail shall forfeit its charter" and be confiscated. Yet there isn't a transportation authority on earth has ever defined "what an unreasonable rate" is. The nearest definition ever given in the courts is that "a reasonable rate is one that has never been proved to be unreasonable."

In one of the sanest states in the east there has been a law on the statute books since 1856 "forbidding stock dividends," though there has never been any law on those same statute books protecting compensation to investors for years when no dividends could be paid and had later to be made up in a stock dividend. That law has never been observed.

Another state gravely insists that "the fireman and engineer must always work and be in sight of each other." Are both supposed to have eyes in the back of their heads? Why not exact that the cook and the waiter must never be out of sight of

WE CANNOT cure the ills of modern life by merely making laws. Laws wisely made and wisely enforced are needful in this complicated age. The airplane and the radio and the automobile—the spread of each has been followed by a cry of "More laws! More laws!"

But in the name of all good lawmakers, let's be reasonable! If an automobile horn wakes a legislator from his sleep, shall we introduce a law abolishing automobile horns? And if failure to blow a horn makes another legislator leap ungracefully, shall he call for a law making all automobiles blow horns all the time?

That's Miss Laut's text, the unthinking law-making, particularly as it affects railroads.

—The Editor

ceeds." That law was laughed out of court.

Take what seem to be sensible laws—the full crew laws, which cost one road (since gone in the hands of receivers with a loss of six hundred millions to investors) \$400,000 a year. Now every rail manager and every rail union man wants his train "full crewed" enough for efficient service to the public. Otherwise, he will hear from the public and lose its patronage.

"Full Crew Laws" Denounced

BUT WHEN full crew laws proscribe and prescribe how many brakemen to a train and in some cases forbid a solitary engine and car going out for relief purposes, one is constrained to ask why not leave it to be settled between the railroad workers and the road. Yet in 1925 there were attempts in four different states to put through "full crew laws," which both the railroad management and the railroad brotherhoods denounced.

Just one from countless examples how these work out. There was a shopmen strike on, which did not involve the Big Four Brotherhoods. Something went wrong with the boiler of an engine in transit. It was shunted on a siding and another engine run out. That engine didn't carry a full crew. It carried the fireman and the engineer with the superintendent's car attached. He had worked up from the ranks and could fix that boiler himself. Whether the engineer and the fireman helped him, I

each other, lest one or the other puts strychnine in the soup?

Another law, which has been proposed for the federal collection but up to the present has not passed, is that it shall be unlawful for the rails to try to influence public opinion or interfere with the solons of infallible wisdom under penalties of \$100 to \$1,000 and imprisonment. Why the lawmakers should interfere with the rails and the rails not with the lawmakers; why the politicians should have free hand influencing opinion and the rail be muzzled—the fair-minded vouchers of that law did not deign to explain.

Doors Tested

THE DOORS of all grain cars are to be tested in another state. Why not the doors of all warehouses, or private houses?

Only steel cars must be used for passengers by another law. What is to be done with the old wooden cars before they wear out, or how rails with deficits are to raise funds for steel cars, is not stated.

In case of a railroad moving its terminals, all losses to shippers on the old location are to be borne by the railroad. Are the gains to the shippers at the better location to be paid in to the rails?

You must not board a train unless you are a passenger, against which the rails long ago provided by "show your ticket" gates; but this law, like that of the Medes and Persians, was to be inflexible. How about a doctor called to a patient?

Thermometers in every passenger car, inspectors to examine the thermometers, and no dividends unless the Interstate Commerce Commission declares the monster has done its duty to the public, are among the gems blushing unseen and unpassed in other state laws.

"Express cars must be sound," "drinking water must be clean," and so on down the line as to sheets and beds.

"Black bass must not be shipped," "stealing from cars" forbidden, "breaking seals from cars" a felony—are some other gems suggested in recent federal laws, where 271 were proposed in one session.

"Strike-breakers" must not be carried but "strike-makers" to have full freedom; a felony to carry gambling devices but how they are to be recognized is not given, nor whether only the railroad or the person

carrying the device is to be the felon left vague. These are types of the 20,000 rail laws cluttering the state statute books.

The unions have done their best to stem this craze of jazz lawmaking. It was at the Cleveland Convention about three years ago that the Big Four first notified the politicians "to keep off the grass." They would view with disfavor any effort to pass laws on a subject under negotiation with their employers; and for almost three years, in the states most famous or infamous for rail

freight on a pound or traveled a mile; every one who has paid a dollar of taxes.

And for what?

For nothing; for good intentions, which are said to pave the highway in a somewhat tropical clime.

But the railroads are not the only victims of the jazz in law-making.

One of the great livestock states has just passed a law imposing a special tax on all pureblood stock. Scrubs untaxed. Premium on scrubs—the supposition being that people

who could afford purebred stock could afford having a few extra dollars filched away and wouldn't go to court over an amount much less than a law suit would cost.

There is hardly a line of life now untouched by some law. The craze is the symptom of a foolish tendency of trying to do by law what we can't do, or won't do, for ourselves; of trying to legislate people into being moral or being successful; of trying to forbid by law being bad, being mad, being a failure; of trying to work from the circumference to the center instead of the center to the circumference.

Laws: Ourselves

UNFORTU-nately, a law never rises higher than its fountain spring—the will of the people; and you can only change that by getting at the soul of the individual; and that was the difference between the prophet and the Pharisee.

We are trying to make the watch run by piling in more and more works instead of simplifying the works and putting in a good mainspring.

The difference is just exactly the difference between rouge to make health on cheeks, instead of health to make rouge on cheeks.

It hasn't worked once in all the long history of the past. Is it working any better with us?

Let me give some examples:

Colorado enacted a law making ownership of a still a penitentiary offense.

Connecticut rejected a proposed tax of \$4 on bachelors, old maids and aliens, also to prohibit operation of any vehicle without rubber tires without permit.

Illinois considered enactment of a bill providing that corporations file proof of financial ability to pay wages.

Kansas enacted a law exempting only gasoline used for farm tractors and refusing

The Laws of Moses and the Laws of Today



Though the world's first great lawgiver codified all the regulations needed for civil and religious life into exactly ten rules, . . . the lawmakers of the United States in the year 1925 had before them 40,986 laws and succeeded in jamming through 13,018

laws, not an attempt has been made "to scotch the rails" or make them "cough up." Lobbying in those states has utterly stopped.

There probably never was a law put on the statute books with better intentions than the valuation law of 1913. It has cost the Government \$25,000,000 and the rails \$75,000,000 and cannot be complete till 1928, when it will be absolutely worthless. Why? Because the cost to the rails today is 200 to 300 per cent higher in equipment than in 1913; and the old valuation will be useless in estimating rates. Now \$100,000,000—which that law has cost to date—represents 5 per cent on \$2,000,000,000. Who has paid the bill for the waste?

Everyone who owns a share of rail stock or a rail bond; everyone who has paid

to exempt gasoline used in the dry cleaning business.

Missouri enacted a law making a certified accountant incompetent to testify concerning business of his client.

Oklahoma, by act of the legislature, declared the manufacture, sale and distribution of ice to be a public business but declined to impose a tax on cigarettes and chewing gum.

California enacted a bill to increase burial allowance.

Illinois—a measure was introduced providing a bonus for plumbers.

All that I have said does not imply that many of the countless laws are not praiseworthy in aim.

Nor does it imply that many of the worst laws were not passed in absolute sincerity, but it does prove two or three self-evident points:

If the churches unload their jobs on the law-makers; and the parents unload their

job on the law-makers; and the employers unload their job of a square deal on the law-makers; and the unions unload winning their strikes on the law-makers; and the farmers and the manufacturers unload their job of making profit on the law-makers; and the idle and the thriftless are going to unload their job of working and saving for the future on the law-makers; if, in a line, the legislature is to be church, parent, employer, union, farmer, manufacturer, banker, doctor, charity institution, the legislative works are going to break down as they are breaking down.

That's point one. Think it out.

There are going to be more laws than law enforcements. We are at that stage now. Think it out.

Then ask yourself who is now paying the piper? The law-makers are providing the jazz orchestra. Who is going to dance to the music? All of us—the taxpayer—and

that's you. All agree the United States has risen swiftly to the present level of greatness by leaving to every individual the greatest degree of liberty possible with justice to the other fellow's equal liberty. Only where the individual stepped on the rights of the other fellow did the Government's protecting hand intervene.

The United States is founded on the individual—man, woman, child.

Are we going to change that for state paternalism in all relations—religious, moral, family, civil contracts, private business?

The rights of each have been sacred. Only where these rights were infringed—husband, wife, child, employer, employee, private business, corporate business—was the state invoked.

Is there a single law which I have cited where rights are involved at all? And those laws cited are typical of 40,000 proposed in a single year.

Our Farmers Aren't Peas in a Pod

AGRICULTURAL Service of the National Chamber recently held several discussions throughout the country, bringing together representatives of agriculture and other business.

The prompting idea is that more thought should be given local agricultural problems and that if local interests throughout the country study these problems and endeavor to remedy them, more benefit will accrue to the country than from the many suggestions that try to treat these problems strictly from a national point of view.

Programs of such conferences, as worked out by the Agricultural Service of the National Chamber, provide for no formal speeches, no prepared papers, no committees, no resolutions, no officers, except a chairman pro tem, and an acting secretary. Each man feels himself an integral part of the conference, contributes his ideas and asks questions. The net result is an increased knowledge based on an interchange of experience; and a crystallizing of views, as to what are the pressing regional problems and the possibility of their solution through the joint action of farmers and men in other lines of business.

Where Ideas Were Exchanged

SUCH meetings have been held at Kansas City, Missouri; Portland, Oregon; St. Paul, Minnesota; and Fresno, California. Stenographic reports were made of the proceedings which were published and sent to the participants. Twenty-two states sent a total of 469 delegates, representing a wide range of activities including in addition to farming, educational work, banking, transportation, public utilities and the like. Five new regional conferences are being planned by Agricultural Service for the year 1926-27.

Discussions center on such problems as the set-up for agricultural work, agricultural credits, legislation, farm cost accounting, boys and girls' work, crop and livestock improvement, the dangers in hastily planned diversification and intensification projects, marketing farm products, and the importance of general production, distribution and consumption surveys in order to determine the extent to which a community is supplying its food requirements with locally grown products. The questions that such a survey should cover include: the kinds, quality and

quantity of the products demanded by the market; the probable increased, decreased, or constant demand; prices as compared with competing markets; competitor's advantages and disadvantages; transportation facilities, and marketing machinery. The United States Department of Agriculture estimates the cost of making such a survey at from \$1,400 to \$3,500 depending on the size of the area to be covered.

Through surveys and conferences, it has been established that the work of the agricultural committee of a chamber usually is done by members serving without pay. Even those chambers that have paid bureaus usually have advisory committees. In the larger cities that can support a paid bureau, it is desirable to have one; yet in the smaller cities, it frequently happens that through a single committee effective work can be done.

The two types of agricultural bureau most frequently found in commercial organizations are; either, those maintained independently of the state agricultural college, or those conducted in cooperation with the latter, in which case the organization usually helps finance the county agents. The average budget for the committee is found to be about \$1,000, for bureaus \$7,000.

Though varied, the agricultural activities of chambers of commerce can be classified under these five heads: 1—cooperation with local farmer organizations; 2—efforts to secure better markets; 3—assistance to boys and girls' clubs; 4—efforts to promote friendly relations between town and country; 5—miscellaneous activities.

Through Farm Organizations

BY FAR the most satisfactory way for a chamber to get results is to cooperate with farmer organizations rather than attempting to work through individual farmers. By the same token, to help carry out the program of an organization closely in touch with the farmer's needs is more productive of results than to promote a separate program. Many of the activities mentioned have been accomplished in cooperation with farmer organizations, for the most part with county farm bureaus.

Efforts to secure broader and better markets for farm products indicate a realization that the problem isn't going to be solved by establishing a produce market

where a few of the producers may sell to a few of the consumers, though this has been successfully undertaken by some chambers. In the formation of cooperatives, many chambers render direct assistance, as well as in establishing additional outlets for produce. In some cities, this work to improve marketing conditions has resulted in the establishment of new distributing facilities, as well as new manufacturing and storage plants.

Assistance to boys and girls' clubs has found a high place in programs of chamber agricultural work. Financing the club, awarding prizes, and offering various forms of entertainment are ways in which this aid is given.

City-Country Barrier Unreal

THE barrier so-called between city and country is more imaginary than real, and it is to the task of securing wider acceptance of this truth that much of chamber agricultural effort is dedicated.

A number of conferees have expressed the desire that the meetings be made an annual event. Agricultural Service will gladly cooperate but the burden of the cost must be born by the conferees themselves. It has been suggested that perhaps these follow-up conferences might be limited to single states.

A newspaper in the west carried this comment on a regional agricultural conference. "It is a fine thing that the business men are getting together to make plans for the improvement of conditions in agriculture. In past years there has been too little cooperation on the part of the business community with the farmers. The farmers have been looking to the government for assistance. But the help to be obtained from that source is somewhat problematical. If a closer alliance could be made everywhere between the farmers and their local business men, to help farmers improve their methods, the chance for farm prosperity would seem better."

A conferee wrote: "There has been a very strong development of agricultural efforts by Chambers of Commerce of the Northwest since the conference, and the line of effort is more uniform and in accord with the ideas developed at your conference than has ever prevailed in the past."

Health Has Its Dollar Value, Too

By S. J. CRUMBINE, M. D.

General Executive, American Child Health Association

IS HEALTH of any interest to the business man?

Does poor health decrease profits?

Does good health increase profits?

Is health an insignificant matter or is it of sufficient practical concern as to warrant business lending an attentive eye and ear to the elimination of preventable and unnecessary illness?

Let's examine the evidence.

In the last fifteen years the Metropolitan Life Insurance Company has spent \$18,709,000 on health work for its industrial policyholders. During this period the death rate has declined more than 30 per cent. This reduction in mortality has meant an actual saving of \$35,000,000 which, under the former death rate, would have been paid out in death settlements.

An eighteen million investment and a thirty-five million saving!

Insurance companies have found that health conservation brings a direct monetary return.

A Universal Truth

DOES this hold true for other business enterprises?

Is there anything in this life saving business which reacts directly to the benefit of the manufacturer, the storekeeper, the public service corporation, the exporter, the farmer, the realtor?

When a man is ill, all kinds of business are the losers. The man stays at home. Transportation loses his car fare or, if he is accustomed to travel by auto, there is a reduction in gasoline consumption. Confinement to his home removes him from contact with the business center, and his purchases are reduced.

Attention to the sick man confines the wife more closely to the home, and her purchases are restricted. Doctor's bills, medicines and accessories, as well as possible reduction in wages, cause a general tightening up of expenditures from the family purse. The new overcoat or new dress is postponed for another season. The luxury expenditures are curtailed, and even the necessities are more carefully scrutinized. The employer suffers the inconvenience and expense of readjusting his working force to look after the work of the sick man. Even when returning to work the efficiency of the sick man is impaired for a limited period. In other words, the employer suffers a reduced return on his investment during the period of illness and for a time thereafter.

Disabling sickness resulting in inability to work has been found by actual surveys to amount to about seven days each year to industrial policyholders. Furthermore, it was discovered that about 2 per cent of the population on the average is sick at all times.

The cost of this item alone in reduced production is estimated at about a billion dollars annually in the United States.

Sickness causes a restriction in production and a lessening of consumption which reacts directly on trade. Death goes a step fur-

ther. It removes a producer with his attendant earnings, and it wipes out completely a purchaser. When a baby dies, the retailer of food stuffs and clothing, to say nothing of others, loses a potential source of income extending over many years. Dead babies cease eating and have no further use for clothes.

We are speaking now dispassionately of the business aspect of health. Purposely we are leaving out the consideration, for the

IF WE want this civilization to march forward toward higher economic standards, to moral and spiritual ideals, it will march only on the feet of healthy children.

The breeding ground of the gangster is the overcrowded tenement and subnormal childhood.

The antidotes are light and air, food and organized play.

The community nurse and the community safeguard to health will succeed far better than a thousand policemen.

—Herbert Hoover

moment, the sorrow and pain which such events produce.

Even such a matter as the methods of control of communicable disease are of direct concern to the business man.

Let's see. Communicable disease usually means quarantine or, at least, a restriction in the free movements of the family. When a child is the one affected, arrangements such as change of residence may be made usually so that the wage-earner need not suffer loss of time at work, but the mother of the family, the real controller of the family exchequer, elects to remain at home. She is thus withdrawn from the marts of trade during the course of the illness. To be sure, food purchases continue, but the acquisition of other household accessories are certainly greatly curtailed.

Diphtheria a Case in Point

TAKE diphtheria. The American Child Health Association, in its recent survey of all the cities in the country with populations from 40,000 to 70,000, found an average of 253 cases of diphtheria annually for each 100,000 of the population. Applying this figure to the country as a whole, this means more than a quarter of a million cases annually. About twelve thousand of these cases terminate fatally. Quite aside from this aspect, however, the survey mentioned above disclosed the fact that twenty-eight different procedures are in use for the release from quarantine of a diphtheria patient.

At one extreme is the city which raises the quarantine of a diphtheria patient. At one extreme is the city which raises the quarantine after ten days and the securing

of one negative culture from the sick person's throat. At the other extreme is the city that quarantines for twenty-one days and requires two negative cultures from the throat at least twenty-four hours apart.

Is there any sound reason why householders should be shut off from communication with the public more than twice as long in one city as in another?

The quarantine period for scarlet fever varies from three weeks to six weeks in this group of cities. In one city the housewife is prevented from shopping for three weeks longer than if she lives in another city. This relates merely to two diseases. There are many others to which restrictive measures are applied—measles, whooping cough, smallpox, typhoid, tuberculosis, mumps, chicken pox, poliomyelitis, as well as others.

What the Writer Means

IT MUST be clearly understood that the writer is not contending for shorter periods of quarantine. The time should be of such duration as will adequately protect the public and the patient. The point made is that some unanimity of opinion should be reached by health authorities on this subject, and it is to the interest of the business man that the health officer be a man abreast of the times, a man who keeps in touch with the most progressive measures, and one who will so adjust restrictive procedures as to protect the public and yet not be unnecessarily severe.

That smallpox is a business concern is well illustrated by the misguided actions of some local chambers of commerce in trying to hush up the facts when smallpox makes its appearance. A city loaded with smallpox does not attract trade. Detroit had a smallpox outbreak a few years ago because, in spite of an efficient health department, there is no compulsory vaccination law in Michigan.

Some of the business men wanted to keep the matter a dark secret. Wiser counsel prevailed, however, and the business interests got behind the health department to the limit in making funds available so that nearly a million vaccinations were given in the course of a few months. A city that goes after a sore spot hammer and tongs is bound to inspire far more confidence in the trade world than the city which applies kid-glove treatment to a bad condition for fear the neighbors may hear about it otherwise.

It behooves the business man to take an interest in vaccination, the only sure safeguard against smallpox. If the business man is not interested in universal vaccination of young children or, at least, school children, and if he does not confer upon his health department full authority to enforce vaccination, the city is courting trouble. If we may judge from test questions, among fifth grade school children, New Britain, Connecticut, and Lexington, Kentucky, were the safest cities in the country in the summer of 1924 as regards smallpox, for nearly 100 per cent

of the school children were protected by vaccination. If this record is maintained, the business men of these cities can cross smallpox off the list of potential dangers.

Sickness has frequently been contracted when people attend conventions in other cities. Aware of this fact, a convention committee appointed to select the place of the next annual meeting once phoned the local health department on the relative healthfulness of two cities under consideration. St. Louis had a very slightly lower death rate. The business men of St. Louis perhaps never realized that a favorable two-tenths of a point in the death rate once gave them a convention.

What Can Be Done

THERE are investments in health which are yet to be realized by the business world. The eighty-six city survey indicated that in 1924 only forty of these cities had begun a campaign to eliminate diphtheria. Meanwhile, the city of Auburn, New York, for example, has been at work since 1921 systematically immunizing against diphtheria the school population and the children below school age. The results are told in these figures:

| Year | Cases of Diphtheria | Deaths from Diphtheria |
|-----------|---------------------|------------------------|
| 1920..... | 96 | 17 |
| 1921..... | 131 | 14 |
| 1922..... | 97 | 13 |
| 1923..... | 47 | 7 |
| 1924..... | 22 | 1 |
| 1925..... | 13 | 0 |

All of the thirteen cases in 1925 occurred in children who had not been immunized. New Haven, Connecticut, and New York City can tell a comparable story if you care to write to them.

The elimination of the waste from diphtheria which is entirely practicable is bound to release increased funds in the field of trade.

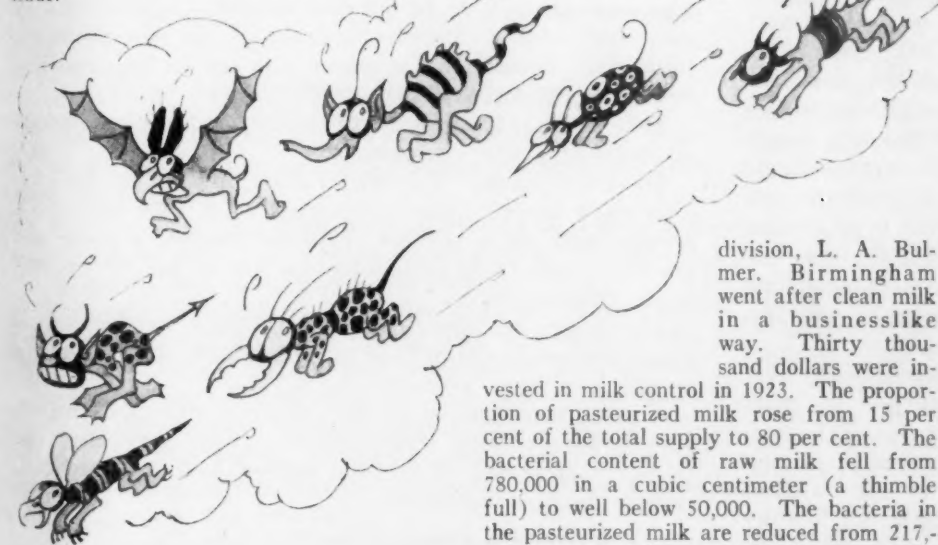
preceding the survey. In Illinois, according to Dr. Thomas G. Hull of the State Department of Health, there are records of more than four hundred epidemics with thousands of cases of typhoid fever traced directly to contaminated milk.

In Chicago, from 1911 to 1916, when but part of the milk was pasteurized, there occurred thirteen epidemics of typhoid fever traced to infected milk. From 1916 to 1922, with compulsory and efficient pasteurization, there was not a single instance of a milk-borne epidemic of typhoid.

Birmingham, Alabama, once paid \$58,000 annually for water added to their milk supply, according to the chief of the food

Health is a purchasable commodity. It can be bought outright by investments in capable health departments, private health associations and education.

It is to the interest of the business man that a well-trained and experienced person should be selected as health officer so as to insure a progressive, reasonable and justifiable interpretation of measures which



Of the eighty-six cities covered in the survey only seventy-eight could give information about their milk supply. Eight cities have all their milk pasteurized, thus insuring protection against milk-borne epidemics of communicable disease. Forty-seven cities have 50 per cent or more pasteurized. Eighteen epidemics of disease have been traced to milk supplies in the five years

division, L. A. Bulmer. Birmingham went after clean milk in a businesslike way. Thirty thousand dollars were invested in milk control in 1923. The proportion of pasteurized milk rose from 15 per cent of the total supply to 80 per cent. The bacterial content of raw milk fell from 780,000 in a cubic centimeter (a thimble full) to well below 50,000. The bacteria in the pasteurized milk are reduced from 217,000 to less than 35,000. This means cleaner and safer milk with longer keeping qualities. There were one hundred and forty sterilizers added to dairy farms. New barns were built, new milk houses, new sanitary toilets on the farm.

In spite of all this trouble and expense the milk consumption doubled, and the price to the consumer was reduced from twenty cents to fifteen cents!

have a direct bearing on the legitimate business interests of the community. In general, the health department is clothed with extraordinary powers—the power to condemn foodstuffs, to condemn living quarters, to close up stores, theaters and places of amusement, to place an embargo on products entering the city, to confine people to their homes for periods of time, to force water and sewer connections. This authority is granted for the well-being of the community, and private rights should surrender to it.

A Sound Basis for Health

THE BUSINESS man may very properly support these community rights, but he should see to it that the administration of this authority is in competent hands. It is of vital concern to him that the personnel of boards of health should be the highest types of citizenry and that the health officer should have a background of training and experience in public health practice.

The public health fraternity needs the business man in its councils. The active interest of business in health work is needed for its own protection. The taxpayers need the business man's interest in health. The children of the community need him. The nation needs him.

NATION'S BUSINESS

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MERLE THORPE, Editor

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Let's Be Proud of the Fourth of July!

THERE is much in these United States with which to find fault. We'll grant that. But we purpose to go ahead being proud of the United States. To the critic who denounces us as materialist we shall answer:

"Materialism is all right if it be not the end."

No one of us would crowd out of life literature and art and music and the love of beauty for its own sake. But it isn't given to us all to appreciate beauty at its fullest. Not every man can see the mountains with the eye of a great painter, but it is better to watch the scenery from the seat of a Ford than to see it only from the upper end of a hoe handle.

It may be materialism that gives the housewife a washing machine and a vacuum cleaner and with them time to go to the movies and read the woman's page of the farm paper or look at the comic supplement, but it's materialism that's worth while. The housewife *should* be reading Plato and spending the afternoon in the art museum, but it is better for her to absorb the woman's page and the adventures of the Gump family than to get all her reading matter from the label on the washboard and all her art from the grocer's calendar on the kitchen wall.

A house two hundred years old may be picturesque and worth saving, but it takes a deal of refixing before most of us want to live in it.

The old English inn is picturesque, and tankards of ale sound appealing, but we have known even English visitors to speak well of eighteen-story hotels with a bath, running ice water and a telephone in every room.

All of which is preliminary to giving three cheers for our leading article by William Feather. Mr. Feather is proud of being an American. So are we. Let's not be ashamed of the Fourth of July.

Brier Pipe Costs and Tariff

BRIERWOOD PIPES have received intensive study from the United States Tariff Commission. American manufacturers took the position that the Tariff Commission should recommend use of the flexible tariff to give them a larger protection against cheap brierwood pipes imported from Europe. Their contention was that the costs of production were not properly allocated, with a result that the costs were incorrectly represented on the cheaper pipes, to the damage of American manufacturers.

Brierwood is purchased in rough blocks. These blocks have to be shaped into pipe bowls before the quality of the wood can be determined. Twenty-five to 33 1-3 per cent of the total labor cost of producing a finished pipe is expended in shaping the bowls. When the bowls are shaped they are classified according to quality. Only a small part, ranging from 4 to 8 per cent, is found to be perfect. These bowls are made into high-grade pipes. A larger percentage goes into pipes of an intermediate grade. About 17 per cent is turned out as low-grade pipes, or thirds.

American manufacturers maintain that correct principles of cost finding would require that the low-grade pipes should be charged with the cost of the wood, the cost to the point of manufacturing where the bowls are classified, and finishing

costs. It is their position that, if costs were so ascertained, these low-grade pipes are being imported into the United States at much less than the cost of production.

The Tariff Commission took another point of view. It said that if the low-grade pipes are to be sold at all they are to be offered at a price lower than the sum of the total costs theoretically assignable to them. It appeared to find no fault with the system of cost finding which allocated the part of the cost on the low-grade pipes not recovered through their selling prices to the cost of the high-grade pipes, which are sold at very much higher prices. The conclusion of the Commission was that there was not unfair competition on the part of the foreign manufacturers in the prices at which they sold their low-grade pipes, so long as these prices exceeded the costs to the point where the bowls are classified.

At the same time, the Commission found that the manufacture of brierwood pipes as conducted in the United States is efficiently and economically operated.

Supposing?

IT IS a marvelous story of the half century of telephone achievement that F. S. Tisdale tells elsewhere in this issue. But, suppose at the beginning the Government had taken hold of this new agency of communication. Would that telephone have been on the desk in front of you? On your secretary's desk? In your home? Would you have called Brother John 200 miles away as freely as you once wrote a letter?

A Battle That Both Sides Lost

"WHO WON the San Francisco earthquake?"

The upcome of the British general strike recalls the sententious rejoinder of an eminent British churchman who, in its early days, was asked who would ultimately win the war.

Protagonists nicely calculate advantages—real and fancied—accruing to this and that contender. But this fact stands out, starkly:

Coal was only a symptom. The real trouble is deeper seated. In a word it is this: England did not profit by the lesson this country learned immediately after the war.

England did not learn that industrial initiative is better than government doles and subsidies; that mechanization to the *n*th degree must take the place of hand methods; that group well-being is to be achieved through the maximum of individual effort. British industrialism cherishes outworn traditions. British labor is palsied with the delusion that less work brings greater profit.

Take coal. It is significant of the trouble because it reveals all the symptoms of the disease.

Too many mines. Too few of them properly mechanized. Too many miners. The world market for coal into which Britain must go to sell her coal—the market that sets the price—is increasingly competitive because of greater productivity of foreign mines.

The owners, resolved to hold an artificially inflated valuation of coal properties, refused to give an inch. Labor, already at starvation wage, refused to work for less.

A government dole—a subsidy—was the offering of British statesmanship to solve this stalemate. It but aggravated the trouble. It staved off the evil day—a day the more evil, perhaps, because postponed.

"But what good came of it at last?"

Quoth little Peterkin.

"Why that I cannot tell," said he;

"But 'twas a famous victory."

A Tier-Together of Nations

"THERE are some twelve peasant villages within a radius of ten miles, of which my native village is the center," Michael Pupin told the International Electrotechnicians, the

other day. "Five different races live in these villages. Serbs, Slovaks, Rumanians, Germans, Hungarians. These simple folk meet each other on market days and greet each other by the Serb word, 'komshia'—neighbor. This is the most popular word in their interracial vocabulary."

Applying the illustration to the distinguished party about him—eminent leaders in science from the world around—he said:

"Do not the names Volt, Ohm, Ampere, Faraday, Henry, and Gauss; Watt, Coulomb and Joule remind us that we all have the same household gods? And, do we not worship at the altars of the same patron saints: Kelvin, Helmholtz, Maxwell, and Hertz; Siemens, Gramme and Pacinotti?"

Mutual interests, congenial enthusiasms, sympathetic understandings. These make powerfully for peace and progress.

Non-College Givers to Education

ALUMNI don't contribute most of the money to their own college endowment campaigns. More than half of it comes from friends of the colleges, not the graduates themselves. A survey of sixty-eight recent campaigns by a firm of drive managers showed this to be a fact.

Why is it that successful men, who did not get their education at college, give more freely than those who did go?

The office cynic, whose diplomas take the place of wall paper in his home, says that it is because college men don't make money anyhow.

Yet, maybe that is not the whole answer. Do those who feel the lack of education have more faith in it than those who have an "A.B." or "B.S.," and are in a sense disillusioned? Or, is it because the one who wanted to go, and couldn't, is trying to fix things so that some other lad, similarly situated, may not know the same loss?

The university today does not make a plea for charity when it starts to raise money. Sentiment accounts for many of the gifts of alumni, but this is lacking in the case of the non-college givers. What, then, is the reason that the bulk of the returns come from this latter class? Is it that they, accustomed to receiving what they pay for, take this means of contributing to humanity generally, with the certain knowledge that the returns will be forthcoming to later generations?

The returns are not directly measurable, but they are coming, with compound interest added. It is a case of dealing in futures in a literal sense.

How Much Does the U. S. Own?

THE first government attempt to inventory the dollar value of the wealth of this country is that just finished by the Federal Trade Commission.

It reveals that the United States is richer than France and Great Britain combined. The total is set down at 353 billions! Its annual rate of increase is five billions.

Agriculture is first in the inventory at a total of sixty-four billions. Manufacturing and mining come next at forty-nine billions. Railroads and utilities are third—forty-six billions. Government property—federal, state and local—is the fourth item on the asset side of the balance sheet, at forty-two billions. All other wealth—personal property, wholesale, retail, and shipping properties grouped together in one jack-pot make up the balance, 152 billions.

Amazing as is this array of figures thus stated, it is commonplace in comparison with the fact, adduced by the Commission's investigation, that in ten years the total increased 72 per cent. Or, stated in terms of billions, from 205 billions in 1912 to 353 billions in 1922, the closing date of the inventory.

Every business man will remember that 1922 was an abnormal year—perhaps subnormal is the better way to state it—

for it was the year following the depression of 1921, the year of deflation. The total stated, therefore, is without doubt lower than it would have been had there been no depression, and materially lower, it is reasonable to assume, than a similar inventory for the current year would disclose.

The Menace of Bigness

SAID Secretary Mellon, talking "on the air" the other day: "Because business is big it is not necessarily a menace."

That is true, yet bigness implies power, and in the possession of power, in the abuse of power, lie possibilities of danger.

"Bigness is not necessarily a menace." The elephant may be gentler than the mouse, but there lurk possibilities of danger in the elephant that are not in the mouse and most of us prefer our elephants properly guarded and guided.

NATION'S BUSINESS has said that a hundred times, that bigness itself isn't bad, but it has always added that bigness brings responsibilities.

None of us is much disturbed about the shortcomings of his neighborhood grocer. If he sells bad potatoes, there's another man around the corner with whom we can trade. But if all the grocers were in one chain, the problem of poor potatoes would disturb us all, and we should take refuge in legislation, in potato price-fixing and potato inspectors.

"Big business," so-called, knows how carefully it must watch its step. It is conscious that the public keeps an observant eye.

A New Use for the Business Map

WE HAVE known that the Frank Greene Map of the Nation's Business was a help to industry, but we have chiefly thought of it indicating the good spots which ought to repay effort.

There's one industry that looks for the black spots as being the places which are worth cultivation. This one organization chooses the black sections to concentrate on drives for new business, to advertise extensively and to tell the folks there of its advantages and purposes.

The organization which makes this unique use of our business-conditions map is the United States Army. At the office of the Adjutant-General, in the Munitions Building, at Washington, the latest map is studied. Wherever the shaded portions appear, to the regional commanders of such territories go out telegrams telling them the times are right to start an intensive campaign of recruiting.

Thus a use for the black portions of the map is found. That it is a good use no one will doubt. What particularly pleases us, however, is that the map is now definitely accepted as a true standard by another important organization.

The World's Exchange Column

THE DAY has passed when a farmer took his produce to the general store and brought back cloth. But barter is at the basis of all our trade. We live in a state of swap. From far-away Brazil, in the pleasantly named town of Bello Horizonte, "Beautiful Skyline," comes a letter which reminds us that money is only a token and that world trade is still the exchanging of goods. Says the writer:

Today we are interested on wheat flour, for our macaroni factory, ground rock phosphate for fertilizer making and rosin, caustic soda, potash for soap making, as well as barbed wire, cod fish, etc.

To export to your country, we have available all the time: castor seeds and castor oil, cotton-seed meal and cotton-seed oil, cocoanuts, etc.

So Uncle Sam, if he has barbed wire and rosin to sell, knows where he may trade them for castor oil and cocoanuts. And pie material and post-pie remedies may be had for Gloucester's extra salt cod.

Everyman and His Bank

III—The Young Printing Executive Takes Another Lesson in Corporation Finance from His Banker

By DALE GRAHAM

Illustration by Emmett Watson

TO LUCIFER SMITH there was something symbolical in the elevator that was lifting him skyward. He was getting up in the world.

Right now he was on his way to the Occident Club at the invitation of Vernon Martin, vice-president of the First National Bank, the biggest and strongest financial institution in the city. Not every one is invited to lunch by bankers. Lucifer felt that it was a compliment to his handling of the Climax Printing Company, Inc., of which he was president.

Furthermore, Lucifer had more on his mind than his appetite. He knew that good meals have a softening effect on men, and that even bankers are human.

"Better not say anything about it, though," he mused, "until we get to the cigars. That's the time to spring it."

He was so deep in these meditations that the elevator had passed his floor. But when he yelled, "Sixth floor, six!" the operator bobbed his black head and said:

"Occident Club? Yassuh, yassuh. I'll take you right back."

Which was an indication of the importance of that club in the eye of the community and of the respect in which men were held who went to lunch there.

The banker was waiting in the lounge when Lucifer arrived. Small of stature, with gray hair and keen eyes, he was the type of man to whom one instinctively turns and in whom one readily places confidence. Lucifer followed him to his accustomed table by the window.

"It is very nice of you, Mr. Martin, to ask me to lunch."

"Not unusual, Mr. Smith. I like to do it. We've had so many conferences over my desk that a change will do us good."

When Conversation Begins

THE LUNCH had been completed, and the banker had taken three deep puffs at his Havana when Lucifer judged the signs to be auspicious.

"It's the Darnell property matter, Mr. Martin," Lucifer began. "I am inclined to think we should buy it. Our lease expires in about six months. The Climax Printing Company will have to decide very soon whether to move or to stay."

The banker examined his cigar very attentively. "Hum!" he said. "Do you need a new plant?"

"Well, it's like this, Mr. Martin. The property is offered us for forty thousand dollars, and I think it is well worth it. I am sure the building is admirably suited for our needs for many years to come. It has nearly twice the floor space of our present quarters."

"Uh-huh. How much cash would you have to pay, and have you got it?"

"Fifteen thousand, and we can't quite make it. As you may suspect, that is what I want to see you about."

Banker Martin grinned. "Yes, I did sus-

pect something of the sort. Are you using all of your twelve-thousand-dollar line we gave you?"

"No, Sir, we are only using eight of it."

"You'll want the other four thousand and some more to make up the fifteen thousand cash payment?"

Approaching the Loan Topic

PRECISELY, but I don't want to impose upon the First National. George Judson, though he sold me all his stock on time payments, might be willing to let us have it."

"And take the corporation's note?"

"Surely."

"Uh-huh, and you'd rather borrow from the bank, but if you can't you'll go to George Judson?"

"That's it. I thought I'd come to see you first."

"Old Doc Summers," he said to himself. "I hope the old codger saw that slap on the back. If he did, I'll not only get a fat printing order but an invitation to play golf the next time I go down to his patent medicine foundry"

The banker puffed vigorously at his cigar and watched the smoke as it drifted toward the open window.

"Let's see," he said at length. "As I remember your statement, it was pretty fair when we passed your line of credit, but I can't recall many of the details. You haven't it with you, have you?"

Lucifer handed over a typewritten sheet of paper.

"Here is one, made up as of last Saturday."

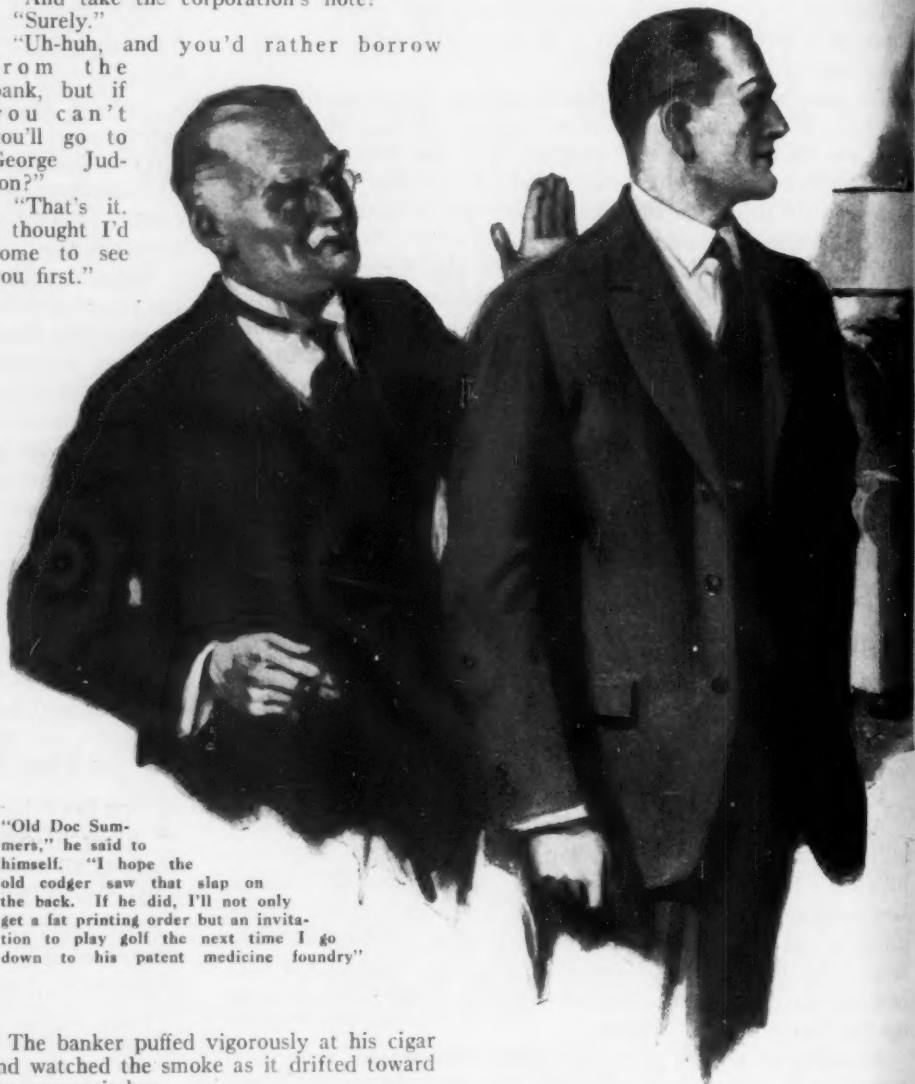
Vernon Martin took the paper in one hand and adjusted his glasses with the other.

"You can't spare much cash from your account, can you?"

"Well, probably two thousand dollars or more. I suppose we can run fairly close."

The banker took a stub of a pencil from his vest pocket and began figuring on the back of the menu card. A slight frown passed over his countenance, and Lucifer was not slow to perceive it.

"Now, Mr. Martin," Lucifer hastily continued, "I am not urging the First National



to make the Climax Printing Company this loan. I can ask George Judson. I feel sure he will put up the money, though he probably would want to take short-term notes. George believes in turning his money rapidly."

The little vice-president turned sidewise

in his chair, laying the statement of the Climax Printing Company and his improvised worksheet where Lucifer could see it.

"Mr. Smith," he began, "has it occurred to you that no matter where you might borrow the money to buy the equity in that Darnell property, you would injure your financial statement and your ability to get credit?"

"Injure our credit?" Lucifer exclaimed in-

"Now, I explained the first time you came into my office that a bank is not only interested in *whether* a customer is solvent and can pay eventually, but *how quickly* he can pay. A commercial bank's deposits are mostly payable on demand; it must be able to collect its paper with reasonable promptness, or it may be closed by the examiners.

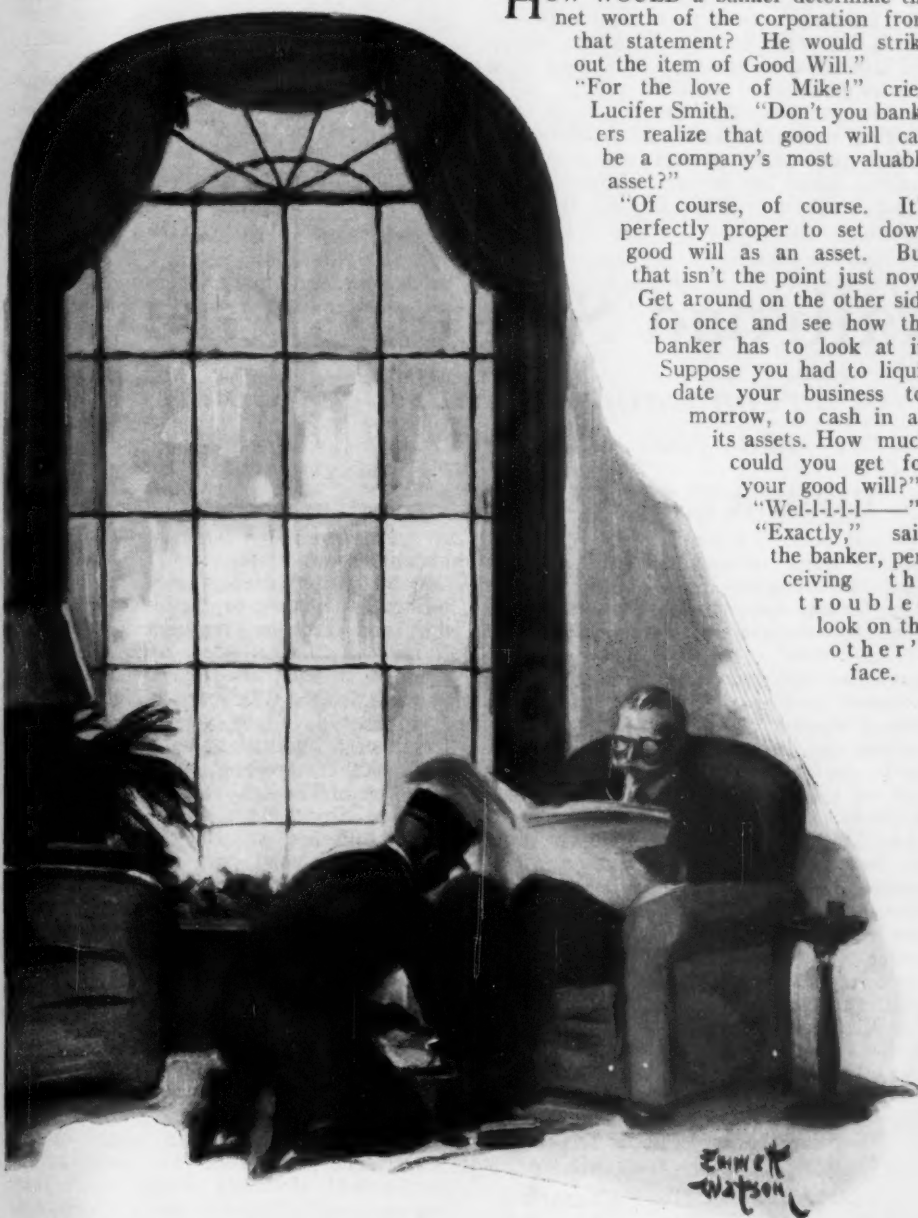
Good Will and the Bank

"HOW WOULD a banker determine the net worth of the corporation from that statement? He would strike out the item of Good Will."

"For the love of Mike!" cried Lucifer Smith. "Don't you bankers realize that good will can be a company's most valuable asset?"

"Of course, of course. It's perfectly proper to set down good will as an asset. But that isn't the point just now. Get around on the other side for once and see how the banker has to look at it. Suppose you had to liquidate your business tomorrow, to cash in all its assets. How much could you get for your good will?"

"Well-l-l-l—" "Exactly," said the banker, perceiving the troubled look on the other's face.



credulously. "How could it do that? Owning a building ought to help our statement, not hurt it."

The Banker Reads a Statement

"THAT IS not the case, however. Let me show you how banks analyze statements. We'll use this one for an example.

| ASSETS | |
|--|-------------|
| Cash..... | 5,670.81 |
| Accounts Receivable..... | 4,208.11 |
| Paper stock and work in process of completion..... | 10,475.00 |
| Machinery, etc..... | 25,000.00 |
| Furniture and Fixtures..... | 1,000.00 |
| Good Will..... | 10,000.00 |
| | \$56,353.92 |
| LIABILITIES | |
| Notes Payable (Bank)..... | \$8,000.00 |
| Accounts Payable..... | 3,635.40 |
| Capital..... | 40,000.00 |
| Surplus..... | 4,718.52 |
| | \$56,353.92 |

"In the case of the Climax Printing Company your tangible assets would be \$46,353.92—that is, everything except the \$10,000 in good will. The liabilities, other than capital and surplus, amount to \$11,635.40; so the net worth of the company is about—"

Mr. Martin wrote the figures on the table cloth.

"I hope the head waiter doesn't see me doing this. Your net worth is \$34,718.52. On that statement our line of credit of \$12,000 is not far out of line.

"And now there is something else about analyzing statements. As I said, the banker wants to find out the borrower's ability to pay *quickly*. To determine this he looks only at part of the figures—those that mean liquidity of the customer's assets.

"First he assembles what he calls 'quick

assets.' In the case of your statement they would be:

QUICK ASSETS

| | |
|--|-------------|
| Cash..... | \$5,670.81 |
| Accounts Receivable..... | 4,208.11 |
| Paper stock and work in process of completion..... | 10,475.00 |
| | \$20,353.92 |

These were the figures the vice-president had scribbled on the back of the menu card.

"You see, such assets could be realized upon in a comparatively short time if liquidation were necessary.

"Then, on the other hand, the banker looks at the other side of the statement for what he calls 'current liabilities.' These consist of debts payable at short maturities and out of the general assets of the company. In your case we have:

CURRENT LIABILITIES

| | |
|-----------------------|-------------|
| Notes Payable..... | \$8,000.00 |
| Accounts Payable..... | 3,635.40 |
| | \$11,635.40 |

"By the way, I think you might have discounted some of those trade bills and reduced your accounts payable, even if you had to keep a smaller balance in the bank; but that's off the subject. Now, let's see—"

Again the banker made his calculations on the table cloth.

"Your ratio of quick assets to current liabilities is just about 1.75 to 1," he finally announced.

"That's a very good ratio for most lines of business, though some of the old-school bankers used to insist on a 2 to 1 ratio or no loan. At that, though, it's nothing extra for a printing concern, for the reason that even the quick assets are not always so quick. Work in process is not nearly so easily converted into cash as are—well, the inventories of a wholesale grocery, for example."

Lucifer squirmed in his chair.

Considering Quick Assets

"THAT'S VERY interesting, Mr. Martin; but what has it to do with whether our company buys the Darnell property? Particularly if I get the money from George Judson?"

"It's got a great deal to do with it. Let us suppose you got the money from George—say \$13,000, using \$2,000 from your bank balance. Here is what it would do to your statement, unless he was willing to let you give him a long-term note:

| | |
|---------------------------|-------------|
| Cash..... | \$3,670.81 |
| Accounts Receivable..... | 4,208.11 |
| Paper stock, etc..... | 10,475.00 |
| (Quick Assets)..... | \$18,353.92 |
| Real Estate..... | 40,000.00 |
| Machinery, etc..... | 25,000.00 |
| Furniture & Fixtures..... | 1,000.00 |
| Good Will..... | 10,000.00 |
| | \$94,353.92 |

LIABILITIES

| | |
|-----------------------------|-------------|
| Notes Payable (bank)..... | \$8,000.00 |
| Notes Payable (Judson)..... | 13,000.00 |
| Accounts Payable..... | 3,635.40 |
| Current Liabilities..... | \$24,635.40 |
| Real Estate Mortgage..... | 35,000.00 |
| Capital..... | 40,000.00 |
| Surplus..... | 4,718.52 |
| | \$94,353.92 |

"Now, do you see what happens? Your current liabilities, \$24,635.40, exceed your quick assets, \$18,353.92; and no bank would let you continue with a \$12,000 line of credit. Of course, if you got George Judson to make part of his notes extend over a long period of time, it would help the statement. Even at that your ratio of quick as-

sets to current liabilities would be impaired, because you would be increasing your debts and taking cash out of the business."

"But the value would be there."

"Yes, your net worth would remain the same, but your statement would not be acceptable to a bank. Your statement wouldn't be 'liquid.'"

Lucifer was inclined to doubt.

"Now, Mr. Martin," he challenged, "do banks go altogether by arbitrary rules like that? Don't earnings and the company's future count for anything? And the integrity of the officers?"

The banker's face relaxed into a broad smile.

"You call my bluff, Mr. Smith. Of course, banks take other things into consideration besides this ratio business. That is exactly

what I am doing today. If you really need that property, there probably is some way of fixing up a long-term finance plan for you to get it. A bank loan or other short-term financing would be out of the question, just as I illustrated. But you don't exactly need that Darnell property, do you?"

The Printer Is Embarrassed

LUCIFER'S face flushed, and the banker continued.

"I have been over your plant. It's no palace, I'll admit; but it's convenient, roomy and altogether serviceable. The main thing in your business is to make profits. It is my duty as a banker to discourage you from tying up your present and future income in a large real estate account, and burdening yourself with big interest charges and a larger overhead. Why, I'll bet it would

cost two thousand dollars to move all that stuff you have over there."

The vice-president's smile was contagious, and Lucifer thawed in spite of himself.

"That's right," he admitted rather sheepishly. "I hadn't thought of it. We're on the third floor, and we'd have to move the stuff out the window in little pieces. You win again."

As they passed out of the dining room the banker slapped Lucifer on the back and said: "So that caps the climax, doesn't it?"

The little joke went unheeded. Lucifer's mind was on a figure in a far corner.

"Old Doc Summers," he said to himself. "I hope the old codger saw that slap on the back. If he did, I'll not only get a fat printing order, but an invitation to play golf the next time I go down to his patent medicine foundry."

How Our Railroad Systems Grew

Consolidation Is Not an Innovation—It Has Been Going On for Fifty Years, and for All Sorts of Reasons

By ROBERT S. HENRY

THE SMALLER they started, the larger they grew; the larger they started the smaller they became.

Sounds almost like a whimsey of Lewis Carroll's, but it's the history—in a sentence—of our railroads.

Take the case of the Nashville and Chattanooga. Modestly chartered in 1845, it was projected as a rail link of 151 miles between the two Tennessee towns whose names it bore. Compare it with the high sounding Tennessee and Pacific, chartered twenty years later to do vastly more ambitious things.

The original N. & C., unchanged except in name, is now operating 1,258 miles of line, in large part the trackage of eighteen unsuccessful railroads. Thirty-two miles of it is what remains of the Tennessee & Pacific project.

Giants Had Humble Origins

MUCH the same story can be told of many another railroad. The Louisville and Nashville, now operating more than 5,000 miles and controlling 2,500 more, started out to build a necessary local link. The Pennsylvania, now including more than 700 projects, the New York Central, pieced together out of 600 separate lines, the Illinois Central—all have extended far beyond the states whose names they bear and have far outgrown the original plans of their projectors. The Baltimore and Ohio doesn't stop at the Ohio by any means, while the Philadelphia & Reading operates 25 times the mileage of its lines between those cities. Chicago, Burlington and Quincy are not far apart, but the Burlington system stretches over a thousand or so miles of rich territory beyond them. The parent company of the great Southern system was the little Richmond and Danville.

An imposing and impressive name was often too much for a little new railroad to carry. Success seems to have come more to the lines with shorter and simpler names and less ambitious plans. The reason for this probably lies in the fact it was not given to the pioneers to predict the long-

distance traffic routes of today. Some of them tried it, as the names of their projects show, but the more successful seem to have been those who were willing to do first the task close at hand. Many of these companies, filling a real commercial need, prospered and extended far beyond their original modest plans.

Of course there are a great many people in the United States today who think that we know enough about the future to sit down and recast the whole system on "sensible" and "scientific" lines. Maybe so. However, any study of the story of the building up of one of the great systems, wherein so many of the best laid plans of men have gone glimmering, ought to engender a degree of humility and some doubt about it. There are a few lines, relatively short, such as the Florida East Coast and The Virginian, that were conceived entire in the brains of their original builders. A few others—notably the Pacific companies—were formed to meet an obvious long distance need, but a good many of the Pacifics have never crossed the Rocky Mountains and probably never will.

The Nashville a Good Example

TO TRACE the inter-play of forces in the history of the growth of one of the larger systems would be confusing. Take a smaller—The Nashville, Chattanooga & St. Louis, already mentioned. It is about as simple a case as one may find, involving a relatively small road, operating in but four states, and one that has never passed through receivership or reorganization.

It was conceived as the Nashville and Chattanooga Railroad, designed to extend from the Cumberland River to the Tennessee River, to meet at Chattanooga, originally known as Boss' Landing, a line the State of Georgia was building to that point from Atlanta, first known as Marthasville and later as Terminus.

It was the thought of the enthusiastic promoters of the road, who were looked upon at first as perhaps a bit mad because they believed they could build such a road across

mountains and rivers, that the produce of the Mississippi Valley, mostly corn and meat, would move to Nashville by steamboat and there be transhipped by the N. & C. road to Charleston, using the State's road to Atlanta, the Georgia Railroad to Augusta and the Charleston & Hamburg (the first railroad in the world to attain the length of a hundred miles) from there on.

Charleston, however, was not the final objective. Through rail routes from the West to New York and the East were not yet in existence, and the canal routes were frozen up a good part of the year. In support of the new project it was urged that it would provide an ice-free route, via river to Nashville, rail to Charleston and ocean to the eastern ports. As a matter of history the line never played any large part in the traffic from Iowa to New York, for instance, but it was and is soundly located as part of a short rail route from the Northwest to the Southeast.

Enough money to complete its organization was raised by January, 1848, and construction started in August of that year. The first work was done at the Cumberland Mountain tunnel, where there was undertaken the then untried method of starting in from each side of the mountain and also working in both directions from the bottoms of three shafts sunk down from the top. This tunnel was painfully bored out with hand drills, black powder, shovel and wheelbarrow, and when the last heading was blown in, 30 months later, there was a great celebration. On Washington's birthday, 1851, 700 men and women walked through the tunnel, carrying lighted tapers. The ladies rode back on a flat car covered with carpet and pushed by hand.

First Train Ran Nine Miles

MEANWHILE construction had started also at the Nashville end of the road and on April 9, 1851, the first train ran nine miles out. The engine that hauled it came to Nashville on a steamboat and was dragged through the streets by horses, the journey of one mile to the depot taking four

days. Three more years were required to push the rails, little iron straps laid on cedar stringers running lengthwise of the track, through to Chattanooga.

In the meantime the State of Georgia had built its Western & Atlantic Railroad from Atlanta into Chattanooga. The Western & Atlantic, built and operated by the State directly, was more than ten years in building. The State operated it for twenty years after its completion, but in 1870 leased it to a corporation who operated it for another twenty years. In 1890, at the end of the forty years period the road, much run down and dilapidated, was leased to the N. & C.

These two roads, now linked together as an essential through route, but still separately organized and operated at the time of the Civil War, jointly formed the main backbone of communications of both the Federal and Confederate armies West of the Alleghenies. Most of the principal battles in the west were fought along their lines, while possession and control of the railroad was an important objective.

What War Cost One Road

AFTER the war, in 1865, the Government returned the N. & C. to its owners, the federal railroad authorities reporting that they had improved the line to the extent of \$1,500,000 during their operation. During the same period, however, the company had lost \$128,000 in slaves set free; \$125,000 in unpaid transportation charges owed by the Confederate government; \$750,000 of Confederate bonds; and several barrels full of Confederate paper money taken in for freight and passage.

Another section of the present N., C. & St. L. in existence at the outbreak of the war was the Nashville & Northwestern Railroad. It was chartered to build to Union City, Tennessee, to connect with the Mobile & Ohio, but line was built only a few miles west from Nashville to the foot of the Highland Rim.

After the fall of Fort Donelson the U. S. Military Railroads took over this line and rushed it to completion as far as Johnsonville, on the Tennessee River, where an im-

mense supply base was established, served from the North by steamboats. This base was an irresistible attraction for Nathan Bedford Forrest, who raided it more than once. On his last raid, in the fall of 1864, the Confederate cavalry engaged the Federal Navy, operating a river fleet of gunboats and transports. In this battle, perhaps the only one of record between cavalry and navy, the fleet was burned. During the phenomenally low water in the river in 1925 the skeletons of these old boats were uncovered and souvenir hunters found rare salvage—hospital brandy not less than 60 years old!

The Rush to Build Railways

THE WAR over there was a rush of railroad building. The Nashville & Northwestern completed its track to Union City in 1867. There it found the Hickman & Obion, which it acquired and built into Hickman, Kentucky, on the Mississippi River. It failed to pay interest on its bonds and was sold at foreclosure.

With its new line to Union City, the N. & C. joined in the establishment of a pioneer through freight and passenger line between St. Louis and the southeast, running over the Iron Mountain from St. Louis to Belmont. There trains were ferried across the Mississippi to Columbus, Kentucky, and thence handled over Mobile & Ohio tracks to the N. & C. Through sleeping car service was established, the time from St. Louis to Nashville being 24 hours as compared with the present Dixie Flyer time of less than 11 hours. The cars used were built at the Nashville shops of the N. & C., intended for service between Nashville and Chattanooga. They were discovered to be too wide to go through a narrow tunnel at the south end of the Nashville yards, so they were run westward instead of to the east.

For a quarter of a century the railroad grew by acquiring lines, mostly of two general classes, either those with overambitious programs or those that had started out to be local lines and had found, that a line, depending solely on local traffic, has rough going. In 1873 the N. C. and St. L. took

over the Tennessee & Pacific. In 1877 it purchased branch line roads, the Winchester & Alabama and the McMinnville & Manchester, both these were in operation before the Civil War but had failed in the hard times of the seventies.

Along with these a privately built line in the Sequatchie Valley, which had been an extension to an old N. & C. branch, was acquired.

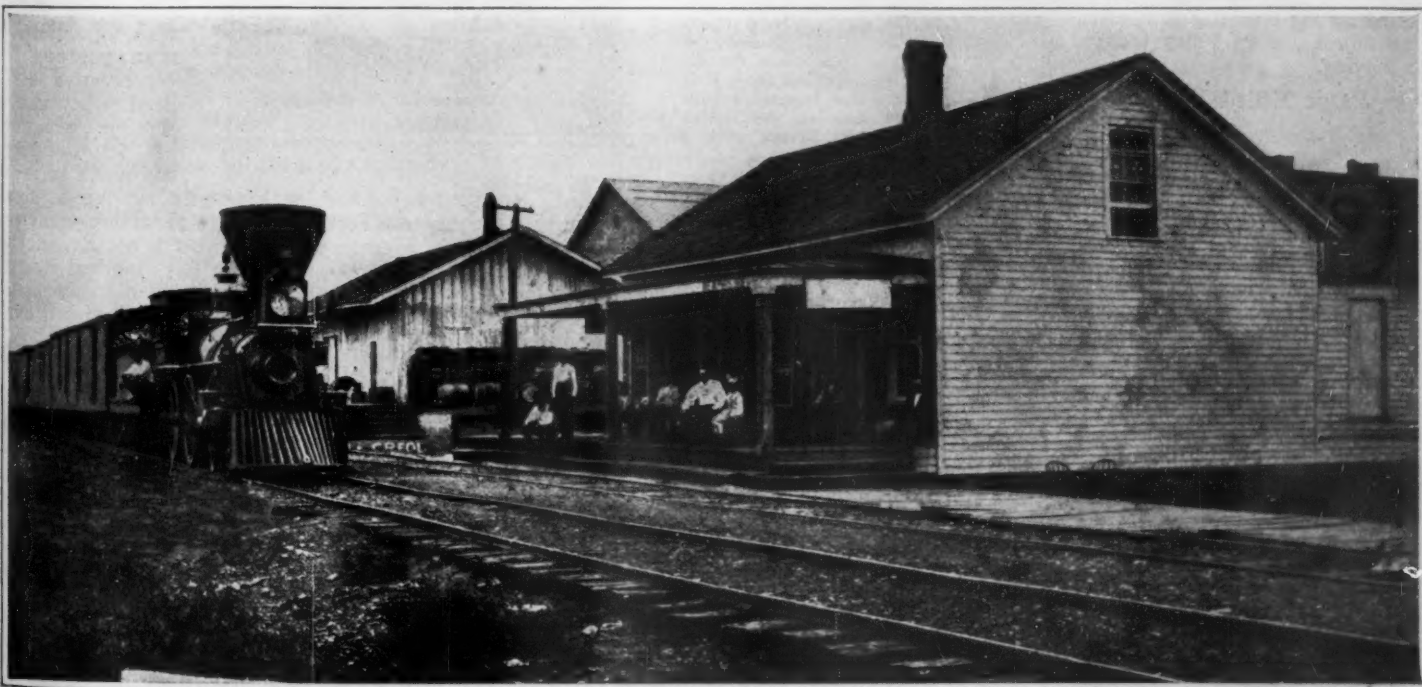
In 1873 the Nashville & Chattanooga added "St. Louis" to its name and started on a determined effort to connect St. Louis and Savannah by one through line.

In 1879 and 1880 it bought the Owensboro & Nashville, an unfinished railroad reaching from the Ohio River toward Nashville; it leased the St. Louis and Southeastern, a line from St. Louis to the Ohio at Evansville; it made plans for constructing the links needed to connect these acquisitions with Nashville; it arranged for an operating agreement with the then lessees of the Western & Atlantic; and it sent its president, Col. E. W. Cole, to Savannah to negotiate for the Central of Georgia.

At this juncture the Louisville & Nashville purchased a controlling interest in the stock of the N. C. & St. L., an interest which has never interfered with a keen and wholesome competition between the two companies for many classes of traffic. Plans for the Savannah extension were dropped and the two links in the proposed Nashville-St. Louis line were sold to the L. & N., by which they have been operated ever since. And so it is that the name "St. Louis" has been for half a century just a reminder of another ambitious railroad project that went wrong.

Another Step-up in Mileage

I N 1883 the N., C. & St. L. purchased the Nashville & Tuscaloosa, a narrow gauge branch that went neither to Nashville nor Tuscaloosa and was not likely to do so. This road was extended into iron and phosphate fields, afterward converted into a standard gauge line, and finally brought to its present mileage by purchase of another 18 miles of line from the Southern Iron Company, in 1891. In 1884 the South-



In the seventies the railroads flaunted magniloquent names, but this picture of the Memphis station of the Nashville and Northwestern, reveals that their magnificence was in name only and not in equipment and buildings

western Railroad, chartered for big things but consisting mostly of a thirty-mile right of way, was bought and built.

Three years later the charter rights of the connecting Bon Air Railroad were purchased and that line extended into coal fields on Cumberland Mountain. Another purchase of the same year, also reflecting the great coal and iron boom of the South in the eighties, was a 20-mile branch, bought of the Tennessee Coal, Iron & Railroad Company.

In the same year three other lines were acquired. One of these existed only on paper.

First was the Huntsville and Elora, chartered but not built. Next was the Duck River narrow gauge. This was extended and made standard gauge. The final acquirement of that year was a line previously the property of the West Nashville Land Improvement Co.

Georgia Lease

ONE more railroad was purchased and another leased before the panic of 1893 checked railroad expansion.

The lease was that of the State of Georgia's railroad, made in 1890, while the purchase was that of the Tennessee & Coosa, a line chartered in Alabama in 1845 to connect the navigable waters of the two rivers for which it was named.

This charter had been renewed in 1884 and about eight miles of road had been built when the N. C. & St. L. bought it and completed it from Gadsden to Huntsville, Alabama.

Twenty miles of this 72-mile distance has never been built, trains being handled on the Tennessee River by a car float transfer service. This transfer, probably the longest of its sort in the United States, is greatly hampered by the recurrent low water during the fall months, when heavy tonnage of cotton is moving.

Panic Killed Four Companies

THE PANIC of 1893 and the years immediately following saw the end of the free and independent existence of four more railroads in the territory. Receivers got them. After foreclosure, they were gathered into the fold.

The oldest of the four was the Rome Railroad, originally chartered in 1839 as the Memphis Branch Railroad & Steamboat Company. It had started from the State of Georgia's line at Kingston, but had gotten only 18 miles on its way to Memphis and had, so far as appears, never operated any steamboats.

It was another example of the ambitious type, as were two more lines acquired in the same year, 1896.

One of these, the Paducah, Tennessee & Alabama, had started from the Ohio River toward that Muscle Shoals section now so much in the public eye and the *Congressional Record*.

The other example, the Tennessee Midland, had started from Memphis to Bristol, on the Tennessee-Virginia border, some 500 miles distant. The Midland reached the

Tennessee River at Perryville, couldn't get across, failed to meet financial obligations and was taken over by the P. T. & A., which had effected a junction with it at Lexington, Tennessee.

Title Chosen Before Terminals

WHEN it in turn failed the two roads were bought at foreclosure by the Louisville & Nashville and leased to the N. C. & St. L. Together they added 247 miles of line, now forming an important part of the Nashville-Memphis line and taking the road to the Ohio River.

The last road acquired by the N. C. & St. L. sounds like another one of the too-ambitious ones, but, more likely, it was a road "built to sell"—an ingenious practice of those good old unrestrained days.

It had been chartered in 1887 as the Decatur, Chesapeake & Nashville,

the same rates and under the same conditions as main line employees.

About the same time this great increase in operating costs came about, the development of highways and the increased use of motor vehicles began to take away the local short-haul freight and passenger business which was so vital a part of the branch line's traffic.

Acquired Eighteen Other Lines

SINCE 1897, when the last branch was taken over, the further extension of the N. C. & St. L. has been along the line of extensive development of through traffic which distinguishes modern railroading. In partnership with the Burlington, under the name of the Paducah & Illinois R. R., it built a new double-track bridge across the Ohio at Metropolis, Illinois, together with twelve miles of connecting line. Since that time the Illinois Central, wishing to use the bridge for its Edgewood cut-off, purchased an interest in the P. & I. from the two roads originally responsible for this new and important Paducah traffic gateway across the Ohio.

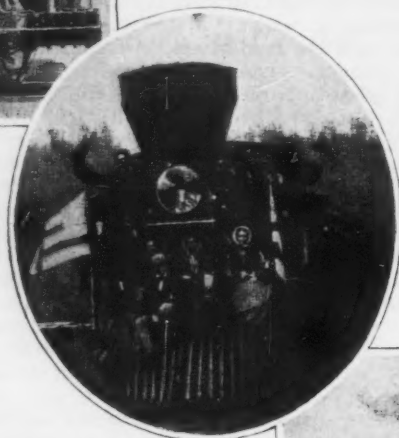
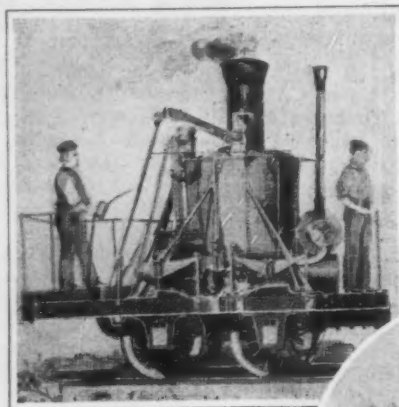
If any patient reader has followed this far through the maze of incorporation, construction, operation and foreclosure of roads absorbed into the N. C. & St. L., he will have observed that the original corporation has acquired 18 other lines that had been in operation, most of which had failed; that it has acquired two roads while partially constructed; and has acquired the charter rights and completed three more. The present corporation represents a process of absorption of 23 others during 79 years.

Some of the purchases were wise and valuable and have turned out profitable. Others have not proved profitable for the railroad, but have kept railroad transportation for the benefit of communities that would otherwise have been without it. The net result of all of them, with progressive management, a conservative dividend policy and a sensible program of improvement, has been a successful

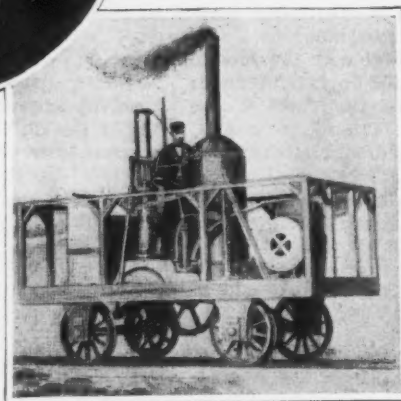
ful railroad, satisfactorily serving a prosperous section for more than three-quarters of a century. But neither it nor any of the 23 corporations that it has absorbed started out to do just the thing that has been done. To a degree the building of a railroad system is by the trial and error system.

If the same patient reader has found the recital of the assembling together of this one railroad system tiresome and confusing, let him imagine himself following through the corporate growth of one of the larger systems. Then imagine himself called upon by an Act of Congress to map out a comprehensive and detailed plan for the further consolidation of a few more hundreds or thousands of companies, with an eye to the distant future as well as present needs!

Then he will have some slight conception of one of the jobs the Interstate Commerce Commission must perform if hurried railway consolidations should be forced upon the railroads, the commission and the country.



The meager beginning of American railroads is vividly shown in this series of pictures of early motive power. The "Atlantic" (top), built in 1832, was the last word in rapid transit of its day. In the center is the locomotive that hauled the first train across the Alleghenies, and below it is the first locomotive built in America, the famous "Tom Thumb," 1830



PRINTS COURTESY B. & O.

none of which terminals it approached. Hung up in mid-air, so to speak, it passed through a variety of reorganizations and finally, in 1897, under the name of the Middle Tennessee & Alabama, it was purchased by the N. C. & St. L.

The M. T. & A. marked the end of acquiring branches. Already it had begun to appear that the branch line's value as a feeder could very easily be exceeded by its drain on the operating revenues.

When Motor Trucks Entered

WITHIN twenty years two developments very definitely transferred most of them from the feeder to the sucker class.

The first was government operation of railroads.

As a legacy of that period, branch line employees, who had been on a monthly salary basis at rates somewhat below standard, were established on the basis of hourly pay with time and a half for overtime, at

Yankee Movies and Chinese Silk

By D. E. DOUTY

Vice-President, United States Testing Company, Incorporated



COURTESY CANTON CHRISTIAN COLLEGE

WHEN silkworms fall sick and die in China, the black devils—say the Chinese—are displeased. A sheaf of paper prayers are printed and burned on the altar.

When the fine silk threads prove defective and break on the high-powered American looms, American science prescribes for China a visitation of the microscope and thermometer.

Old China, where a princess in her garden first watched a silkworm spinning a cocoon and decided that here was something to fashion a new robe for herself—old China has cultivated the silkworm for 70 centuries. Taming "the wild insect of the hills" is a household art, a family industry, carried on by methods that have not changed materially in all that time.

The Silkworm Changed by Man

BUT THE silkworm has changed, its evolution shaped by man, for the greater production of silk was gradually defeating its own purposes. The once wild insect is now man's most domesticated creature—so domesticated that were the protection it now receives removed it would be the helpless victim of its enemies. Down the centuries somewhere the silkworm moth wings became so diminished in size that they could no longer bear the weight of the body.

More important from the industrial point of view, long cultivation has changed the silkworm from a strong stock to a creature of delicate constitution. The households in which they were raised were lacking in the best sanitary practices. Dampness, foul air, drafts (common to Chinese mud houses), noise, smoke from the charcoal braziers, mulberry leaves too coarse or too fine or too wet with dew—these were unrecognized fac-

Top: Students at Canton Christian College chopping mulberry leaves to feed silkworms. Oval: Placing full-grown silkworms on rice straw, where they will spin cocoons. Machine methods to replace hand labor are being devised constantly.



tors in the health of the silkworm and the quality of the cocoon it spun.

In short, the stock to be found in China and other countries during the middle of the nineteenth century was dangerously impaired. Weak, subject to disease, sensitive even to odor—on such an uncertain silk-producer, part of the rapidly growing American silk industry depended. Fortunately for the industry, however, the other silk-raising countries listened to the teachings of Pasteur, and by cross-breeding and microscopic examination shortly had their silkworm stock and disease within control.

But the Chinese, the worshippers of ancestors, paid no heed to the science of heredity and breeding, and national production and exports continued to drop.

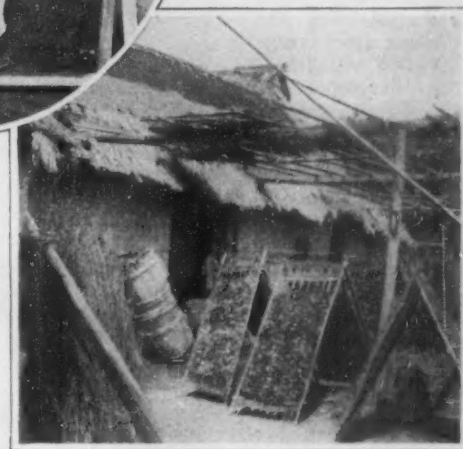
Meanwhile, with characteristic astuteness, Japan perfected her knowledge of silkworm rearing, put it immediately to work and learned the modern methods of reeling or winding filaments from the cocoon as stipulated in the American market. Japan was soon in the ascendant as a silk-producer, and successfully challenged the old supremacy of China and Europe in the American markets.

The American silk men were unwilling to lose so rich a source of silk as China had been, without protest. Through the Silk Association of America, recognized at the start by China as the official voice of the American silk industry, they made their first contact with the invisible raw silk market by expressing dissatisfaction with the quality of Chinese silk to the American consul to China. He in turn complained to the Taotai of Shanghai, who in turn complained to the producers of silk in a proclamation, which was probably hung up in the guild hall.

Complaints of Silk Received

ONE OF these, from which the following is extracted, issued in 1874, is typical in its lack of specific information or constructive criticism:

"On the 20th of the third moon, I received a letter from Mr. Seward, United States Consul General . . . complaining that the silk of last season was no improvement, but rather worse than that of the previous few years, of which complaint has heretofore been made. In China, silk is a very important article of commerce, and all those engaged in the preparation of and dealing in silk, should be faithful and honest, and on no account allow the least counterfeit in its preparation. I have before issued proclamations in regard to this



Almost since time began China has been growing silk on such racks as these. Half a dozen such constitute the outlay of a moderately wealthy silk farmer

matter. Let all engaged in the preparation of silk be careful to obey these instructions, and select the good from the bad, and constantly study how to improve the quality of the silk until it is perfect, and on no account allow the least infraction on what is necessary to make it perfect."

What benefit accrued is doubtful. The

1880 year book of the Silk Association of America records: "There has been no improvement in Chinese silk: the complaints of adulteration and other defects are more pronounced than ever."

In 1915, letters half pleading, half protesting, were still being sent to China, now a republic three years old, withal a disturbed, restless, war-torn republic. The communications of this date became more technical, and so more helpful. The report of this date sent by the Silk Association to the Chinese, after explaining fully American mill conditions, and why they required clean, even silk, gave suggestions "which would lead to increased consumption of silk," defending this step from misinterpretation with:

"The Silk Association of America would not presume to suggest to the ancient and skilled sericulturists of China the manner in which the industry established and pursued by them for centuries should be conducted. It even hesitates to suggest changes from well-established trade customs."

But this hesitancy was unbecoming to a country with the appetite for silk that America developed at this time. In 1915, we imported 225 thousand bales, Japan supplying about two-thirds, and China supplying less than one-quarter. And this grand total was double the imports of 1908, only seven years before. In a time of national prosperity, the American public, able to buy just what it wanted, bought silk in great quantities.

Large Order for Trade Body

"MORE silk, finer silk, cheaper silk," cried an insistent public. A large sized order—if ever a trade association had one.

Considering the magnitude of America's silk purchases, the number of silk manufacturers who were acquainted with their oriental markets up to this time was surprisingly small. They knew very little of the tradition which had restrained the Chinese from keeping pace with scientific developments; and of the new spirit now abroad opening up the way to ideas and things which had been before impossible.

As general manager of the United States Testing Company, official testing house of the Association, I spent six months in the Orient in 1917 and brought back much enlightening information on the Chinese methods of raising silk. I entered the huts where the worms were hatching and where they spin cocoons. I saw how the natives of those localities handle their silk and was able to understand why so much China silk is not

suitable for the American market. All the messages which had previously passed between the two countries did not carry to the Chinese mind the conviction that this personal visit did, because of the moving-picture machine which we used to illustrate suggestions and instructions on raw silk culture.

THIS IS another of the articles which NATION'S BUSINESS is publishing from time to time, setting forth the unusual activities of trade associations. This time it is the Silk Association of America.

A striking example of enlightened self-interest is to be found in this story of China and her silk trade.

We asked Mr. Douty to tell of the Association's part in that trade and the resulting benefit to the entire industry.

The quality of raw silk has been improved; price to the user has been cut. The conditions of growing fibre have been brought up to date, with a healthy result to the grower, and even to the silkworm itself.

American brains and American inventions are working to help a great industry.

—The Editor

This is most easily understood when it is remembered that the dialects of China are numerous and the literacy percentage is low.

The sequence of events connected with China's silk improvement quickens its tempo from this date on. In 1918 the American silk industry was represented on the International Committee for the Improvement of Sericulture in China, a group doing well-grounded scientific work, promoting research and extending educational work on silk-raising among the farmers.

In 1919 the Silk Association contributed

over \$6,000 to the Work of the committee and \$8,000 to build sericultural buildings and establish sericulture chairs at Canton Christian College, and to equip sericultural stations in the vicinity. The program had one prime object—to free silkworm eggs from disease, so that the stock might be strong again. The silkworm and the mulberry tree were soon going to college regularly to be studied for morphology, genetics, physiology and bacteria.

In 1920, seven members of the Silk Association of America formed the First American Silk Mission to the Orient to confer on silk problems. This Mission discovered many things, one being that the poverty of the average Chinese farmer militated against raw silk improvement. To get the greatest immediate return on his cocoon crop, he sold his best and kept the poorest for next season's eggs, which consequently yielded a poor return.

Disease Took Its Toll

A FARMER often lost one-half to three-quarters of his silkworms from disease after he had gone to the expense of raising them. His testing of the cocoon in the marketplace was done by chewing a specimen and pulling at the threads between his teeth. The popular methods were the primitive. For example, the method of keeping silkworm eggs warm for hatching is translated:

"In order to hatch out the spring silkworm, wash the paper on which the moth has placed her eggs in clean water. Take this out now and place it in the wind to dry. Fold it up and put onion and garlic on the paper; then wrap this up in another piece of paper and put the whole thing in fresh cotton. Place the bundle in a strong man's bosom next to his skin during the day and at night let him take it to bed with him but change the side of the bundle next to

his body so that the whole may be evenly warmed. After three days they should hatch all together." What discomfort the strong man felt has no place in this history.

An incubator was the American substitute for this custom, and there was provision for them in the \$21,000 building which was the Association's gift in 1922 in Nanking University, a building to hold classrooms, laboratories and dormitory, with a capacity to produce one million layings of disease-free eggs each crop. The same year, the United States testing Company opened a branch in Shanghai, at the request of the Chinese who were impotent to help themselves. The branch fulfilled two purposes — to



When a steam filature, or reeling factory opened at Huchow last fall, it was the first material evidence of progress in an industry which had spanned thousands of years in China. American methods, looking toward the future, in contrast to China's method of looking toward the past, made this step a possibility and an actuality

make tests as a neutral party between producer and importer, and to point out to the Chinese where their silk failed the tests.

In 1923, a Second American Silk Mission of sixteen members of the Association made another survey of the silk centers of the Orient, found political conditions chaotic near Canton, and realized that silk improvement was complicated by ambitious warlords. They were not discouraged, however, and as a result of this visit one member of the Mission donated a model filature or factory for reeling the silk to Canton Christian College; and another a cold-storage plant in which to keep silkworm eggs. This completed equipment for every process, and became a strong educational influence.

Mission Sees New Interest

THE Mission found Chinese youths studying about silk at the Colleges; Chinese filature owners studying silk testing at the Shanghai Testing House. They found the Chinese Government awakened to the point of supporting the International Committee. They found Southeastern University at Nanking doubling the size of its sericultural station—and many more signs of the new era. Yet with the combined effort of these centers, hardly one per cent of the disease-free eggs required could be produced. They were spurred on to further effort.

Within a month of their return, they had appointed a representative to carry on their work in China, to be stationed at Shanghai and to promote in every way the interests

of the greatest silk-consuming country in the world.

"Free the silkworm from disease by distributing certified eggs." That was the gospel he was to spread, and he found his work gaining the support of the Christian missions.

He was also to modernize the Chinese sericultural schools.

Same Leaves Yield 400% More

IN 1924, expert surveys made in China brought out the startling fact, confirming the working hypothesis of the Americans, that without increasing the production of mulberry leaves, but merely by eliminating diseases, China's silk production could be increased 400 per cent. This once achieved, a balance of trade would swing in China's favor, enable her to purchase needed supplies to rehabilitate her waterways system, build dams against floods, construct railroads, thus check the recurring famine periods, and retrieve her fortunes. And in spite of the silk-improvement work being the solution of China's future renaissance, the contribution of American silk men for this work is pure business, with improved silk in greater quantities in view.

Instruction sheets were posted on telegraph poles and trees along the canals. They were couched in simple coolie language with each thought isolated for easy comprehension:

Now you must reel your silk carefully

Then you can get good price.

Otherwise

You will lose your price in silk
Because now the prices between good silk and poor silk

There are very many differences.

According to the export price

There are \$20 and \$30 difference to every 100 oz.

You can ask other people

Then you can know.

Uneven size

Dirty silk

Such silk

You will get very low price in selling.

Remember, remember

We are giving you full important points in the following

You must keep these things in your mind.

For six years the Silk Association of America has carried on its improvement work in China; it has been so well organized that much of it is now self-supporting. The sericultural courses in colleges are attracting numbers of students.

The silkworm-egg stations have proven their value to the Chinese farmer, and disease-free eggs are in demand. All essential parts of the raw-silk industry have been given scientific study.

Already in 1922, Canton Christian College reported:

"We have increased the size of both the worm and moth fully 25 per cent; while the cocoon is at least 3 times heavier and larger and the moths lay nearly twice as many eggs as those of the old-style farmer. Worms are stronger and more disease-resistant."

The World's Output of Work

By THOMAS T. READ

Assistant Secretary, American Institute of Mining Engineers

IT IS doubtful if in this country a man working with his own unaided strength is able to produce enough to afford himself an adequate living. I am referring, of course, to such basic activities as getting food, providing shelter and clothing.

A friend of mine tells the story of a teacher in a Pennsylvania school who was notified by one of his students that he would have to give up school. On being asked the reason why he was leaving school the boy replied:

"Pa doesn't want any of us boys to git his livin' a settin'."

Impossible to Live "A Settin'"

IN THE earlier days of civilization it was impossible for any man to make a living "a settin'." The getting of food and of shelter and of clothing required hard and continuous work, and it was only when man became clever enough to find other means of getting this work done that it ever became possible for a person to make his living "a settin'" thinking how things should be done and directing their doing.

The first thing man did to make the getting of a living easier was to domesticate animals and to press them into service. While the man could not yet get his soil tilled "a settin'," he at any rate had the easier job of steering the animal and the plow. There was the fundamental economic advantage that the ox ate food that a man was not able to eat and thrive on it, so that this was the first beginning of by-product utilization.

The man got for his share the corn; the

cornstalk, which would otherwise be wasted (except as it might serve for fuel), was given to the ox. Thus, by the use of animals of this sort, man multiplied his capacity to work.

The trouble about expecting any great development from the use of animals for this purpose is that domestic animals need about the same kind of food as man. To keep a horse in good condition you need to feed him oats, and the oats might more effectively be used to support a human. It is true that a horse eats hay, but the soil that grows the hay can usually be used to grow potatoes.

The real magnification of man's power began when the steam engine and, later, the internal combustion engine were invented. Two very remarkable changes arose from this. In the first place, the limit on the amount of power that can be used was removed. This removing of the limit enabled work to be done that could not be done by increasing the number of men on the job.

Machines Do Not Use Food

MUCH more important, however, is the fact that these mechanical helpers of man are not competitors with man for food. A horse has to be fed regularly three times a day no matter whether he is doing any work or not. An automobile only uses gasoline when it is being driven, and while it is standing still it does not consume anything.

It is difficult to get any idea of the multiplication of man's power that has resulted from the discovery of how to utilize coal and petroleum without attempting a comparison

of the relative amounts of power so produced. It is probably impossible to make such a comparison with that degree of accuracy that the scientist thinks is necessary for safe deductions, because the things that are to be compared are so different.

What Does Horsepower Mean?


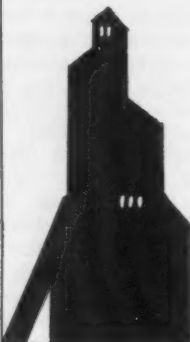
















THE amount of work done is ordinarily expressed in horsepower, but unfortunately there is no very accurate estimate of the amount of work that a man does as expressed in horsepower. The term "horsepower" itself is misleading, because, while it is precisely defined as the power exerted in lifting 33,000 pounds 1 foot in 1 minute, that quantity of work was termed horsepower by James Watt, who measured the work done by big Norman horses used in working the pumps of English coal mines, and then took a quantity 50 per cent bigger than the work done by the horses and called it a horsepower, so as to be on the safe side in rating his engines.

As a matter of fact, we know that the guess was not very accurate, and it is practically impossible to get at an average figure of the work done by a horse. The only real use the term "horsepower" has derives from the fact that it is a measurable quantity of work.

It is pretty generally assumed that a man's capacity for work is about one-tenth of a horsepower. The question at once arises, what kind of work, for it is evident that selling life insurance and loading pig iron into a railroad car are two different kinds of work. The only answer that can be

WORLD'S OUTPUT OF WORK

8 HOURS PER DAY · 300 DAYS PER YEAR

| | MILLIONS OF HORSEPOWER | | | |
|-----------------|--|--|---|--|
| | HUMAN | COAL | PETROLEUM | WATER |
| UNITED STATES |  5.5 |  111 |  67. |  12.3 |
| GREAT BRITAIN |  2 |  42.5 |  3 | 0.3 |
| GERMANY |  3 |  40. | 0.2 | 1.3 |
| CHINA |  20 |  4.5 | 0.01 | 0 |
| FRANCE |  2 |  15. | 1 | 1.8 |
| BRITISH INDIA |  13 |  5. | 0.5 | 0.2 |
| RUSSIA |  12 |  3.6 |  4 | 0.1 |
| CZECHO-SLOVAKIA | 0.7 | 7.3 | 0.01 | 0.1 |
| JAPAN | 4 | 7.1 | 0.4 | 1.3 |
| BELGIUM | 0.4 | 7.1 | 0.2 | 0 |
| CANADA | 0.5 | 5.5 | 1.8 | 3.2 |
| POLAND | 1.5 | 4.6 | 0.2 | 0.1 |
| ITALY | 2 | 2.5 | 0.2 | 1.5 |
| AUSTRALIA | 0.3 | 2.5 | 0.2 | 0.1 |
| HOLLAND | 0.4 | 2.5 | 0.1 | 0 |

made is that this is the best guess available as to the average quantity of work done by people who are engaged in any kind of work, and in using it, the fact has to be kept in mind that the kind of work that people do is continually shifting away from the exerting of muscular energy towards a greater expenditure of nervous energy.

It is easy to compute the horsepower of a man who is carrying bricks up a ladder in a hod, but it is impossible to compute the horsepower of the man who, sitting at a desk, is able to complete the arrangements which make it possible to erect the building the other man is working on. In what we have to say about the relative horsepower of man and machine, it will therefore be necessary to keep always in mind that the useful activities of man cannot be completely expressed in terms of mechanical units.

Energy Generated by Men

BEFORE going any further, let us consider the relative amounts of horsepower generated by men from the food they eat, by machines from coal and petroleum, and from water power in the principal countries of the world. This is shown in the chart on the opposite page. This table at once reveals the significant fact that, while we ordinarily think of China as a country having nearly four times as many people as there are in the United States, the United States has the equivalent of many times the number of effective workers that there are in China.

In short, the United States may be thought of as a country in which the work done is equivalent to the work that could be done by ten times as many people as there are in China, or almost forty times as many people as there are in the United States. Every person in the United States has thirty-five invisible slaves working for him.

"How did you get the figures in your table?" is a question that will arise in the minds of many of my readers. The column of human work is easily comprehended. Starting with the figure of one-tenth horsepower as the generally accepted figure for the work done at a fairly hard job, and remembering that small children and old people do little or no work, while housekeepers and office workers obviously do not work so hard as ditch-diggers and hod-carriers, the average rate of work for the total population of any country is estimated at one-twentieth of a horsepower. I also specify that they work eight hours a day for three hundred days in the year. This is only an approximation, of course, for most people in the United States work less than three hundred days in the year, and the Chinese work more than three hundred days in the year and more than eight hours per day.

One-twentieth Used as Unit

ALITTLE reflection reveals that these differences are more apparent than real. The work done by a person is produced from the energy created by the food he eats, and people eat food and expend energy on Sundays and holidays, and if we try to distinguish between energy expended for "working" purposes and other purposes, the result will be a mess of confusion. It is not my present purpose to attempt to evaluate the relative usefulness of different kinds of work, so let us rate everybody in the world as averaging one-twentieth horsepower, though we know that some people do more work than that and other people do less. What

we have thus made is an intelligent estimate, that is probably not far wrong.

Next we come to the power derived from coal. Fairly reliable figures as to coal production of the different countries of the world are published every year, and by adding imports and deducting exports we can arrive at coal consumption. The best estimates are that two-thirds of the coal consumed in the United States is used for the production of power. It may be that the proportion used for power is somewhat smaller in foreign countries, but we will give them the benefit of the doubt. And I have estimated that 3 metric tons of coal will produce 2,400 horsepower-hours or a horsepower for eight hours a day, three hundred days in the year. This corresponds to 2.75 pounds of coal per horsepower-hour, and as the public utilities in the United States averaged 1.55 pounds of coal per horsepower-hour, last year, the figure used seems to make a reasonable allowance for the small and inefficient power producers.

It is an odd fact that estimates of the power consumed in the United States that have previously been published are not far wrong, although the method by which they are usually made is entirely erroneous.

Most estimates of this kind are based on the census figures as to "installed capacity of prime movers," or, in other words, add up all the 10-horsepower, 1,000-horsepower, etc., engines and take the total. The fallacy of this is evident when you recall that the engine in your Ford is rated at 21-horsepower, but you know it stands idle a good part of the day, and even when it is running the throttle is usually only part way open.

Even on the basis of 8 hours per day your 21-horsepower engine probably will not average 6 horsepower over the period. But as the estimate based on "prime-movers" ignores the railroads, which consume nearly half the coal used for power purposes in the United States, so, by laps and slams, as the children say, it comes out not so very far wrong after all.

Much German Fuel Is Lignite

IN MAKING the table, I have allowed for the fact that more than half the coal consumed in Germany is lignite and a ton of lignite will do only half as much work as a ton of bituminous coal, but for the other countries I have rated all the coal as of equal power value. We know that they are not precisely equal, but there is no way to measure the exact differences.

How much work do we get from petroleum? I have estimated that 300 gallons of gasoline or fuel oil will yield 2,400 horsepower-hours. This is not far wrong for the United States, and excepting Russia and Great Britain, no other country in the world produces as much as one-twentieth of the work done by petroleum in the United States. The figure as to Russia is merely a guess, as the statistics now emanating from that country are fragmentary. For the other countries there has been added to net imports of gasoline and fuel oil the estimated production of these from the amount of crude oil refined in the country.

Probably most people will suppose that the work done by petroleum is expended wholly in driving automobiles, but this is far from the case; gasoline amounted to less than 40 per cent of the petroleum products used for power purposes in 1924.

M. L. Requa has recently pointed out that 75,000,000 barrels of gasoline, 50,000,000 barrels of Diesel engine oil and 20,000,000 barrels of lubricating oil are an-

nually being burned in the United States as incompletely refined products in competition with coal.

The column in the table showing the work output of water power is full of interest and needs explanation. The *World Atlas of Water Power*, published by the United States Geological Survey, contains a table showing the "developed" and "potential" waterpower of each of the principal countries of the world. But the "developed" water-power, as already explained, represents the rated capacity of the installations and is quite different from the amount of power actually produced. Fortunately there is available in the United States a reliable estimate as to the actual number of horsepower-hours produced from water-power in 1923.

On the basis of 24 hours per day and 365 days in the year this would amount to a little less than 4,000,000 horsepower, although the *Atlas* gives the developed water-power in the United States in 1921 as over nine million.

Spreading the Power Average

TO MAKE this column comparable with the others, I have divided the known output of horsepower-hours from water in the United States by 2,400 to give the power average over eight hours per day for three hundred days in the year, although it could not possibly be used in that way. Taking the ratio between "developed" water-power and actual work output from water in the United States and applying it to the other countries in the list, their work output has been estimated.

Before leaving this subject attention should be called to the relatively small amount of work done by water; less than one-fifth that done by petroleum and hardly more than a tenth, in the United States, of that done by coal. Canada on the other hand produces only one-quarter of the water-power of the United States, and France is the only other country that produces more than half as much as Canada. Some countries, like Belgium and Holland, have no possibility of developing water-power and in countries where it is available its use is limited by the fact that water-power is not cheap unless it can be used for purposes where the power demand is reasonably uniform throughout the twenty-four-hour period, and then only when the cost of the power development is not excessive.

Outdoing Some by Thirty-five

RETURNING to our summary of the work output of the world, we see that the people of the United States divide the product of work equivalent to that done by thirty-six times as many people as there are in the United States. The people of the other countries of the world line up as follows: Great Britain, 24; Canada, 22; Belgium, 19; Germany, 15; Czecho-Slovakia, 11.5; Australia, 10; France, 9.7; Holland, 7.5; Poland, 4.2; Italy, 3.1; Japan, 2.2; Russia, 1.6; India, 1.4; and China, 1.2.

Another thing that is clearly shown by the table is the absurdity of the rather prevalent belief in Europe that we in America have gotten rich by making money out of Europe. The work analysis shows clearly that the people of the United States are wealthy because they do enough work every year to produce a lot of wealth to divide. Wealth per capita in Great Britain is two-thirds of that in the United States, or in exactly the same ratio as the work per capita in the two countries.



The Helvetian banker strives for an air of dignified permanence in his place of business, but does not overlook opportunities to beautify and ornament, thus achieving a distinctive atmosphere

Banking in the Shadow of the Alps

By ERNEST O. BUHLER

St. Gall, Switzerland

the banker of Europe.

Another member of the banking brotherhood in Minnesota, who during the agricultural depression had acquired a few more pieces of "other real estate" than he really wanted or knew what to do with, wondered how the farm mortgage business was conducted.

A third one in Iowa wanted to know if every Tom, Dick and Harry had a checking account and if he paid for the privilege if it was not a profit account. Others again were interested about the rules of credit extension, the status of the branch banks, and the service rendered to the small banks by the Swiss Federal Reserve System.

Many radical differences are found in the Swiss banking system, and they apply particularly to the methods employed in the computation of interest, use of checking accounts, extension of credit, bank owner-

ship, and bank management at large. Some of these differences will appeal to the banking fraternity in America, and some will not, but whatever their appeal may be, they will be found to be exceedingly interesting. This article deals with the banks in St. Gall as a basis, the banking business in other cities throughout Switzerland being conducted on a similar plan.

An Interesting History

ST. GALL is an old city. Gallus, an Irish monk, born in 551 A.D., having spent a life rich in service among the heathen in Helvetia, decided to live the few remaining years allotted to him, alone in the wilderness. He chose a protected spot on the Steinach River, and there he built his cell. After his death a monastery was erected around the cell. This monastery became one of the most famous universities of Europe during the middle ages. Charlemagne was given here his first writing lessons, and the wax tablet on which he practiced is still on ex-

"BE SURE to find out whether the Swiss bankers have made themselves the burden bearers of their community, free of charge, as we have done," an Idaho banker called after me, as a last farewell.

I had told him that I wanted to learn something about the banking system in that model republic, where every boy is trained to be a soldier, and every citizen is fined whenever he fails to vote. But she is also a very rich country and has conducted an international banking business for years. Her savings bank system is considered one of the best and at various times she has been called

hibit in the monastery library. A city gradually grew up around the monastery walls, and that city is St. Gall.

The population of the city today is roughly 62,000, which is about 10,000 persons less than during the war. Why? Because the main industry here is the manufacture of embroidery and laces and this industry has been hit by a double-edged sword. Did any of the banks close their doors because one-sixth of the population packed up and moved out? Not much. They are doing business at the old stand as serenely as ever, and competition is keen here, too, as there are twelve banks in town. And they are not mushroom banks, but staid old institutions, housed in up-to-date buildings, equipped with all the modern appliances even to the Burroughs posting machine.

No Officers in Bank Lobby

ONE of the peculiarities that strikes the eye upon entering the bank lobby is the absence of the officers. They are usually in private offices of their own on the second story. They have tried the American method of the officers being in the main lobby and the other plan of private offices, and they have concluded that the private office is the better plan, as the management is given a better opportunity to work. This office plan is similarly carried out throughout Switzerland, and when you wish to see an officer a secretary invariably will first announce you.

The desks in the various offices are equipped with telephones just as plentifully as in the United States, but the average resident has not as yet adopted them universally. The total number of telephones in St. Gall is 4,000. They are a government monopoly, and no one but the state is permitted to operate a line. The annual telephone rent is \$20 per year, and in addition to that each subscriber pays at the rate of two cents per call for every call he makes during the day. The telephone department is supposed to be a well-paying business, and the service which it renders is rather exceptional. It does

not only perform all the functions of our American telephone, but it does a great deal more. If, for instance, the cashier of the bank or his wife at home should be absent from his or her place of occupation, the telephone central is informed accordingly, and upon their return she will tell them of the persons who have called them during their absence. If a call is expected, but the cashier cannot wait for it, he may impart his message to the operator, and she will pass it on to the caller when he makes his call. Or, she will tell another that Mr. Brown is in conference and cannot be seen for thirty minutes, etc. They also maintain special information bureaus where the patrons may inquire about elections, conventions, excursions, games and weather forecasts.

The commercial banks extend credit with or without security, just as in the United States, but the case of Blanco Credit deserves particular attention. This form of credit is extended to well-established firms for the purpose of conducting their business,

and the debt or credit instrument bears no limitation of time. If a firm wishes to secure this form of credit, it makes its application to the bank, together with a statement.

If the application is approved, the firm may use the amount allotted to it up to the extent of the loan. The peculiarity of this form of credit lies in the fact that the note is of no definite maturity. As a matter of fact, it has no limitations of time. The bank, of course, reserves the right to call the loan at any time, but the paper really has no maturity unless the bank chooses to call the loan. Some of the blanco credit loans I have seen have run for as long as fifteen years.

If the business of the firm is not satisfactory, an immediate halt can be called, but this action is very seldom taken, because the loans are made only upon careful consideration by the committee. The customer furnishes, of course, a detailed statement at stated intervals, and the money must be used only for the seasonal operations



Offices of Swiss bank officials are invariably on the floor above the main lobby and reflect the financial stability of the house. Left: The branch of the Credit Bank at St. Gall, Switzerland



of the business, and never for the erection of buildings, purchase of machinery or other similar capital purposes. In order to enjoy this form of credit, the customer is supposed to have an annual turnover about six times the amount of his loan.

A Popular Credit Form

BLANCO credit is very popular, and eminent bankers like Professor Riesser have stated that it is one of the safest forms of credit.

Another point of interest is the fact that the borrower pays no interest on the borrowed capital which he does not use. If, for instance, he makes a loan of \$12,000, and then proceeds to use this loan at the rate of \$4,000 per

month each month, he is charged interest only for those amounts of his loan which he has actually withdrawn from the bank.

Severe storms strengthen a tree. The banks of Switzerland have had to withstand a number of them since their organization, and as each one of them has taught them something about the wisdom of credit extension, it is worthwhile to mention some of their axioms.

First, stay within the limitations of your own capital and resources. To violate this fundamental you will not only put your bank into danger but will also render your clients a very ill service, as in times of

stress you will be forced to call your loans, when they can ill afford to pay them.

Second, do not extend any credit which will be in excess of 5 per cent of your capital and surplus. Especially do not make any loans in excess of this to a chain of persons or firms, dependent upon each other. To violate this rule will often make the borrower the ruler of your credit policy, thus causing you to throw good money after bad.

Third, distribute your credit risks so that they do not finance any one business or industry, but a number of varied pursuits. If one is hit by adverse conditions, your bank will nevertheless have clear sailing ahead.

The third principle was also one reason for the formation of some of the newer branch banks. It takes the exception, however, to prove the rule, and the third principle fared ill with some of its disciples after the war. Some of the Swiss banks operating in Germany and Austria were very careful to diversify their loans through these countries, but nevertheless they lost heavily when the depreciation of the currencies set in.

Other banks, however, which had specialized on one main industry in South America without any attention to diversification, did not lose a cent.

After the Labor Board—What?

THE REAL significance in the passage of the Watson-Parker bill was thus summed up by President Coolidge who said in signing the bill:

... We should give every encouragement to industry to create within itself such a relationship and such machinery of adjustment between its employers and employes as will give the public continuous and efficient service, and to accomplish these relations within itself without the intervention of the government. Nor does this imply that the railways by undertaking this self-government in the smallest fashion relieved themselves of their responsibility to the public at large, but rather they have increased their responsibility by virtue of the self-government that this act imposes upon them.

The new law is the work of the Association of Railway Executives and the "standard recognized railway labor organizations." For several years, however, leaders in the business world, as well as in the government, have recognized the need and opportunity for action along these lines. Recent correspondence between Howard Elliot, Chairman of Board, Northern Pacific, and Julius H. Barnes, former president U. S. Chamber, throws light upon discussions and negotiations carried on in 1923 and 1924 which developed features that have been incorporated in the law.

Talking Over Possibilities

MR. ELLIOT, in a letter to Mr. Barnes dated May 18, 1926, wrote:

You may remember that several years ago, when you were president of the Chamber of Commerce of the United States and I was a member of the board, we had some discussions about getting a better relation between the great army of employes on the railroads and the management—all in the interest of stable and dependable service for the benefit of the public. As I recollect it, we had one or two meetings in your office with some of the representatives of the great brotherhoods and discussed various plans for better relations.

Since then there have been more or less negotiations, some serious strikes, like the shop-crafts strike; out of all has grown the so-called Watson-Parker law which carries out in part some of the suggestions which you made several years ago and in which many of us concurred at the time. . . . I believe that it will be helpful to the general situation in this country if you could give some expression of your views about the final culmination of the movement inaugurated by you into the present law which we all hope will be helpful to the public interest by providing methods for preventing serious disturbances that may interrupt railway business.

Personally, I feel that the step taken is in the right direction and is a fine thing for the

country, indicating, as it does, a willingness of the great leaders of organized labor to sit down and reason together with those managing the large railroad systems of the country.

Mr. Barnes replied to Mr. Elliot's letter:

The forward step in the Watson-Parker bill, from the public standpoint, is the obligation of the railroads and employes to continue operation thirty days after the report of a presidential fact-finding commission, thus allowing public opinion to make itself felt, and also allowing those dependent on transportation to prepare for possible interruption. That gain warrants accepting the Watson-Parker bill against any other misgivings, and I have no doubt that protection of the public interest may readily be strengthened if actual experience should develop that need. As always, minor changes may be necessary under such experience.

You will recall that the Chamber of Commerce of the United States two years ago, as an outgrowth of the Transportation Conference of 1923, developed a voluntary agreement negotiated between a group of railroad executives and two of the four railroad brotherhoods, providing for the final reference of railroad disputes to a presidential fact-finding commission of five members of which three should represent the public, and that both sides agreed there should be no interruption of transportation for sixty days after such findings were announced. This plan was not to displace the Railroad Labor Board but to run parallel with it. Moreover, it was to be entirely voluntary, to be accepted by the separate railroads and the separate brotherhoods on their own initiative, and was in line with the conviction of the National Chamber that advances made by industry in their own self-government were greatly to be preferred to legislation.

This agreement would have formed an inspiring chapter in the relations between employers and employee associations. It was with a great disappointment that its completion was prevented by the fact that new proposals for federal legislation, introduced at just that time, led the brotherhoods to hope for a more favored position by statute, while the railroad executives were prepared to go forward with the agreement.

This short history will show that the major features of the Watson-Parker bill are practically those we had sought to set in motion more readily and flexibly by voluntary agreement.

The provisions of the bill summarized are:

1st. Every effort shall be made to make and maintain agreements.

2nd. Any and all disputes shall first be considered between the parties directly interested.

3rd. Local, regional, or national adjustment boards shall be established by mutual agreement. These boards have jurisdiction over disputes relating to grievances or to

interpretation or application of existing agreements but have no jurisdiction over changes in rates of pay rules, or working conditions.

4th. A Board of Mediation is to be created by the President, with the advice and consent of the Senate, whose duty is to intervene at the request of either party or on its own motion in any unsettled labor disputes not adjusted by a conference of interested parties—if it is unable to bring about a settlement agreeable to both parties, it shall do its utmost to have the parties accept arbitration.

5th. Boards of Arbitration are provided when both parties consent to it—the methods of selecting the members and the modes of procedure are outlined—the awards of such boards shall be binding on both parties, except under certain conditions relating to the award's legality, and that the award shall be filed in the appropriate district court of the United States and that it shall have the effect of a judgment of the court.

6th. In the event that a dispute is not settled by any of these means, the Board of Mediation, if the dispute threatens seriously to interrupt interstate traffic, shall notify the President, who is thereupon authorized to create a board to be known as the emergency board to investigate and report to him within thirty days from its creation on the broad aspects of the dispute. It is also provided that no change, except by agreement of both parties, shall be made in the conditions out of which the dispute arose for thirty days after the report to the President.

General Opposition to Board

THE opposition to the Railroad Labor Board by the employes was so general that there arose a conviction that its usefulness had largely terminated, notwithstanding the board had assisted in the settlement of some 13,500 disputes. Employes thought it possible to forecast the vote of every man on the board before a dispute had been presented. Another objection raised was that it did not have the power to enforce its decisions though it did have the powerful weapon of publicity, which is only provided in the Watson-Parker bill as a last resort.

The bill, as presented, had the approval of railroads totaling 168,000 miles and of the twenty "standard recognized railway labor organizations." Opposition to the bill was voiced on behalf of certain industrial, manufacturing and farming groups.

Their chief objections were based on the contention that the public was insufficiently protected, and that the carriers and their employes might practice collusion.

Tasmania's Roads and Baby's Shoes

By FRANK B. CURRAN

Transportation Division, Department of Commerce



In America, good roads followed the automobile. Elsewhere the reverse is often true. Above is a modern concrete bridge in Uruguay. The automobile is the next logical step in development of this territory

ARANGY Australian engineer watches a charge of dynamite rip and shatter a ledge, and Jones's wife in Sioux City starts home with new shoes for the baby. A turbaned Egyptian rolls a steel drum off a road near Cairo, and a car checker in Grand Haven pays another instalment on his bungalow. Juan Diaz in Chiapas levels a heap of crushed stone, and a toolmaker in Providence buys a new hat. Here is what seems to be a hodgepodge of unrelated incidents, yet there is a definite connection.

Roads have always tended to do away with isolation. They do now; but in recent years they have done so, not only through their obvious function as routes of travel, but by their mere coming into existence. The construction of a new road, with the incidental expenditure of money that may have been borrowed far abroad, and the use of machinery and materials from equally distant sources, directly affects the individuals abroad who supplied the money, machinery, or materials.

New Roads Bring Prosperity

THE NEW road adds directly to the prosperity of the people living near it; it gives employment to workers, may open new territory and add to its value, and thus makes a new market for imported goods of all kinds. In this way it affects indirectly, though not less surely, those industries and workers in other countries who produce the merchandise imported into the new market. The prosperity of these, in turn, affects other producers, and so the ripple spreads until it is gone beyond trace.

Jones knows the direct benefit he receives from the good roads in his neighborhood. If he is in the automotive industry, or makes road machinery, he knows that his prosperity in part depends upon the marketing abroad of a certain amount of these products, and that good roads mean money in his pocket. He may, though, have an occupation that does not seem to be even remotely connected with the road construction plans of Czecho-Slovakia, or in a territory as near at hand as Canada. Nevertheless, it is more than probable that the construction of a road in Tasmania put some of the money into the pocketbook from which Mrs. Jones paid for the baby's shoes.

The Dominican Republic is one of the interesting examples of the diverse effects of road construction. Before 1916, two of the

most important cities, Santo Domingo, the capital, on the southern coast, and Monte Cristi, on the northern coast, were separated by the mountains, forests and swamps. Fertile valleys only a few miles from the capital were unpopulated wastes. Passengers and freight from either city traveled to the other by water halfway around the island.

By 1922, a road connecting the two cities was completed, and several others were under way. During the following year, 7,000,000 pounds of cacao were exported from the port of Santo Domingo, which had handled almost no cacao before the roads were built. A number of native farmers settled in the fertile valley along the road, and found a ready market for their produce in the capital.

They grew prosperous and became good customers of the city's stores. A small wholesale and jobbing business grew up between Santo Domingo and the interior, principally in textiles. Within a year the value of imports of agricultural implements increased 140 per cent, automotive vehicles 247 per cent, and cotton goods 56 per cent, to mention only a few of the classes of goods imported. The United States provided 71 per cent of the whole, or \$13,041,412. Of course, it is not to be understood that road construction was the only cause for the increase, but if not the principal factor, it was one of the most important.

What Saves Jones's Job

IF JONES had a friend working in each industry that contributed to the exporting of only the three classes of goods mentioned, think what a varied group they would make. It would include farmers, machinists, toolmakers, painters, carpenters, lumbermen, clerical workers, miners, glassmakers, rubber workers, sailors, railroad men, textile workers, and the rest of a list almost too long to be printed. The share of additional work done or wages received by Jones or any worker in a large plant as a result of these orders may have been almost too small to measure, but that margin of increased orders may have prevented a shutdown and saved Jones's job.

As American industries profit indirectly from new road construction abroad, so much more do they benefit when the construction is carried on by American firms with American machinery. Jones travels many miles

over good roads in the course of a year, but he remembers that it was only ten years ago, when the Federal Aid Road Act was passed, that a national highway system really began to take form in the United States.

Long before a Jones set foot on this continent the Aztecs had built a system of roads in what is now Mexico. Indian runners, soldiers, and merchants travelled to and fro, couriers sped over them with messages from the court, and prisoners stirred the dust of them with hopeless feet, until the day when those roads felt for the first time the tread of horse's hoofs, and Cortez and his Conquistadores wrote "Finis" to an ancient civilization. The Aztecs are gone forever, but even yet near the city of Mexico a stretch of one of their roads is in use.

The Spaniards were engineers as well as lusty fighters. They needed better roads and new ones; there was treasure from the interior cities and silver from the mines to be hauled to the coast and shipped to the Old World, and supplies to be brought inland from the ships. Their troops needed roads in order to keep the country in subjection. With Indian prisoners as a source of cheap labor, they built a system of highways paved with heavy stones, with stone bridges, so well surveyed that some of the routes are still used. But the Spaniards understood neither maintenance nor drainage, and neglect and erosion did their worst.

Railway Hurt Mexican Road

THE PAVING stones were even dug up here and there to be used in building fences and houses, leaving the other stones loosened and the road worse than if it had never been paved. Then the era of railroad construction began. The roads, already so neglected, were practically abandoned, and Mexico's second highway system became little more than a memory.

The development of one new means of transportation had contributed to the decline of roads in Mexico; another revolution, the growth of motor transportation, was to re-

vive them. The automobile is the best road-making machine that has yet been designed.

Jones might not have believed that a few years ago, but he knows now that scrapers and graders, road rollers and concrete mixers begin their work only after the automobile has created the demand for better roads, and has furnished a good part of the funds to pay for them. So it was in Mexico.

With the coming of the automobile, interest in roads revived. Construction and improvement of a few roads near the capital were begun, but progress was slow until last year, when laws were passed providing that the proceeds of the tobacco tax, about \$2,500,000 annually, should be used on roads, and that a tax of six cents a gallon should be levied on sales of gasoline.

A Great Treaty for Mexico

ON JULY 30, 1925, representatives of the Mexican Government and an American construction company signed a document that will probably prove to be of great importance to the future of Mexico. These signatures completed a contract by which the American company was to construct a highway from Nuevo Laredo (across the Rio Grande from Laredo, Texas) to Mexico City and thence to Puebla; to complete a road from the capital to Acapulco, on the Pacific coast; and to construct another from Ariaga, in Chiapas, to the boundary of Guatemala. Ariaga is the present terminus of the Pan American railroad. Several American engineers arrived not long after the preliminary work began. An office building in Mexico City was rented, and the administrative machinery began to function.

Peons, some of them descendants perhaps of the builders of Montezuma's roads and the highways of the Conquistadores, flocked into the construction camps near the city. Picks, shovels, stoves, and other equipment were bought in the city, and the gangs started to repair and fill holes in the Puebla roads, so that road machinery, already on its way from the United States, could be brought out to the job. By the end of September, over 3,500 men were at work on three of the roads.

On the Acapulco Road, 2,400 men were working from six camps. Other road camps had been established near Mexico City, Puebla, and Pachuca. Shipments of American road machinery valued at several hundred thousand dollars were nearing the border.

Work Is Begun Soon After

TWO MONTHS later, American steam shovels, tractors, scrapers and plows, and 1,500 men were digging, tearing, and scraping dirt and stone on the Puebla road.

Mexican contractors with American trucks were hauling stone here and there, and small American buses were running regularly twice a day from Mexico City to Puebla and back.

Engineers were surveying the road from the capital to Pachuca, and work was about to begin on two other sections of the Laredo



Roads, a fundamental commercial factor, make possible the movement and distribution of goods and of men, thus banishing isolation. As the roads improve, methods of transportation are facilitated. In Italy (above), or Japan (oval), the possibilities for American export are constantly improving because of better business conditions there which better roads brought about

forests gave up their trees, animals were shorn or flayed, cultivated fields were stripped; ships and freight trains and wagons hauled the plunder over the ocean or on rivers, lakes, canals, railroads and highways.

Jones reflects that after all, the story of the steam shovel is not so amazing. He is so accustomed to the complexities of modern civilization that he accepts as commonplace what would have seemed miraculous to his great-grandfather; and to find a connection between the work of a peon in Mexico and a car checker's job on a railway in Michigan is a matter of small difficulty for him. But the peon, what would he think of it?

Juan Watches Steam Shovels

IMAGINE Juan Diaz, swarthy, high-cheeked, with black eyes gleaming with excitement, watching a tanned and wiry Gringo whose deft hands played nonchalantly over the levers of a machine which seems like a grotesque beast as it nibbles here, nozzles and gulps there, and swings its head around to spit out a cartload at a mouthful.

The steam shovel is marvel enough for him, but what would he think if he could be shown the whole intricate process of its manufacture, or all the men and things that helped to make it? Juan Diaz is the product of many generations, and his ancestors number untold thousands; yet if all of them, as far back as the time of the Aztecs, could form in ghostly ranks behind him as he stands there, they would not equal in number the living army that could be formed of those who in one small way or another helped to put one piece of machinery at work on a Mexican road.

Moreover, that army need include only those from whom the steam shovel may be said to have come in a practically direct line. It would not include the number of persons who made it possible for these workers to perform their tasks, by supply-

road. All along the route, like artillery in reserve, groups of road-making machines were parked, waiting their turn to get into action. The renaissance of Mexican roads was well on its way.

From Montezuma to Macadam, from ancient spades and mattocks to steam shovels, is a long way; musing on it ought to stir Jones out of his most commonplace mood. But he might find work enough for his imagination without considering history at all, in trying to trace one piece of this road-making machinery, a steam shovel, back to its original elements, and in estimating the number of different American craftsmen and industries, or the amount of American material required to place it on its job in Mexico.

The shovel came a long way, in one of a shipment of fifteen freight cars of machinery intended for the same job. That shipment required all the complex organization of men and equipment that makes up a modern railroad, and added just so much to the earnings needed by the railroad to pay its employees and to make a return on the investment of its stockholders. But before the railroad issued a bill of lading, the steam shovel had been assembled, tested, painted, and inspected by expert workers, from parts which were the work of men in other shops of the plant or in other plants.

The materials of which those parts were made—iron, steel, copper, brass, lead, tin, wood, rubber, leather, glass, cotton, wool and paper—are all manufactured or semi-manufactured products. For their making, coal, sand and ore were dug from the ground,

ing all they required to maintain the American standard of living.

So much for what may be called the present effects of a road construction job in Mexico. In the future, after these roads are finished, and others inevitably added to them to make a complete system, there will be effects equally as far reaching. There is a world of significance in the fact that the road from Mexico City to Laredo will join the Meridian Highway, which runs all the way to Winnipeg, Canada, and then joins the Selkirk and other Canadian highways, after crossing every great east and west highway in the United States. Commercially, socially, politically, what effects may it not have on the people of three countries?

Road construction, by adding to the prosperity of a foreign country, may help the Jones's in the United States, as it did in the Dominican Republic; it may have very direct and very diffuse effects, as in Mexico; sometimes the effects may be rather curious.

Argentina is an anomaly. It has more automobiles than any country in Latin America, and little more than 500 miles of good roads in an area of more than a million square miles. Its richest section is almost impassable for cars during half the year, and its longest passable roads are in the area where the fewest cars are owned.

The Argentine motorist can, in the dry season, drive over fair roads from Buenos Aires west to the Chilean boundary, south to Tierra del Fuego, or north to Bolivia, but after a rain he finds it almost impossible to motor from Buenos Aires to Rosario.

How Road Helps Jones

AS AN influence on the fortunes of the Jones family, the building of roads in this anomalous country might even cause one of those little divisions of opinion that occur in the best of families. Argentina is a wheat exporting country, and in that respect, as well as in the exportation of meat and certain other products, she is a rival of the United States. Figures quoted a few years ago as part of the propaganda of the proponents of better roads in the Republic showed that Argentina lost over 110,000,000 pesos annually in wheat and other products which could not be hauled over the bad roads to the railroads. It would seem, then, that Jones's farmer cousins might profit by the failure of Argentina to improve her roads. But the other Jones's beg their wheat

growing relatives not to jump at conclusions. Doesn't he realize that Argentina imported 43,000 automobiles and nearly 8,000 trucks from the United States in 1925, and is our best Latin-American market for them? Doesn't he know that practically all the road-making machinery sold in Argentina is American? And how about his cousin who expects to sell over \$18,000,000 worth of agricultural implements this year? If the Argentine farmer is losing money on bad roads, Argentina buys less from us than she should, we lose orders, our employees lose wages, and Farmer Jones loses out in the home market in proportion as the buying power of our workers decreases.

Why shouldn't the Argentine farmer be permitted to desire better roads?

Sees Better, Follows Worse

HE DOES, but here is another anomaly. He loses money because he has bad roads, but he doesn't want to pay for better ones. Originally many of the wheat farms in Argentina were enormous cattle ranches.

They really were in no great need of good roads, as the only products hauled out were hides and wool, comparatively light weight freight. The great two-wheeled carts with wheels eight feet in diameter, which are still in use, rode over the rough roads well enough. But wheat is heavy. Loads of six or eight tons carried on two wheels cut the old roads to pieces, and as a result the loads had to be lightened. The carts could haul only two or three tons, and even then, often stuck in deep mud. Thousands of sacks of wheat rotted in the fields, yet the "estancieros" were rarely willing to have the roads improved. One of the principal reasons was the size of the "estancias," or farms.

A road might run for miles through one man's property. The owner knew that the roads needed improvement, but he also knew from bitter experience that construction and maintenance costs were heavy. The soil in the wheat growing area is soft, heavy, black loam, and materials for road surfacing such as stone, gravel, etc., must be hauled sometimes a hundred miles by railroad. He felt that it was unfair to have to spend so much on a road others used at his expense.

The motorist, on the other hand, retorted that the "estanciero" himself gained the greatest benefit from improved roads and ought therefore to be taxed more heavily for them.

Eventually, however, the pioneer work of

several American firms proved that with American machinery and methods fairly good roads could be built and maintained cheaply. They exploded the old theory that good roads must be of macadam or concrete, and therefore too expensive, and proved that construction with machinery cost only one-fiftieth as much as the pick and shovel, wheelbarrow method.

At the entrance to a town near Buenos Aires was a motorist's nightmare, over half a mile of heavy, sticky clay, utterly impassable, that had once been a stretch of road. An agent for American machinery converted it into an unusually high-banked road, nearly 40 feet wide, at a cost of only \$130. Another American outfit changed 1,300 feet of useless ruts into a level hard road 33 feet wide in 24 hours for \$33.65.

The Province of Santa Fe bought ten complete sets of American road machinery and put five at work on new construction and five at repairing old roads. Each unit consisted of a large and small tractor, a ditcher, a trailer, a cookhouse on wheels, tents, shovels, and tools. Buenos Aires Province bought twenty units, and legislation was introduced authorizing construction of 10,000 miles of road. Cordoba, which lies in the foothills of the Andes, a stonier terrain than the wheat-growing region, and which already had a number of fair roads about its capital, bought eight small units and planned to buy twenty-one more. Entre Rios bought machinery, put an engineer in charge of each unit, and started them to work in different districts, with each trying to outdo the other.

American Activity Great

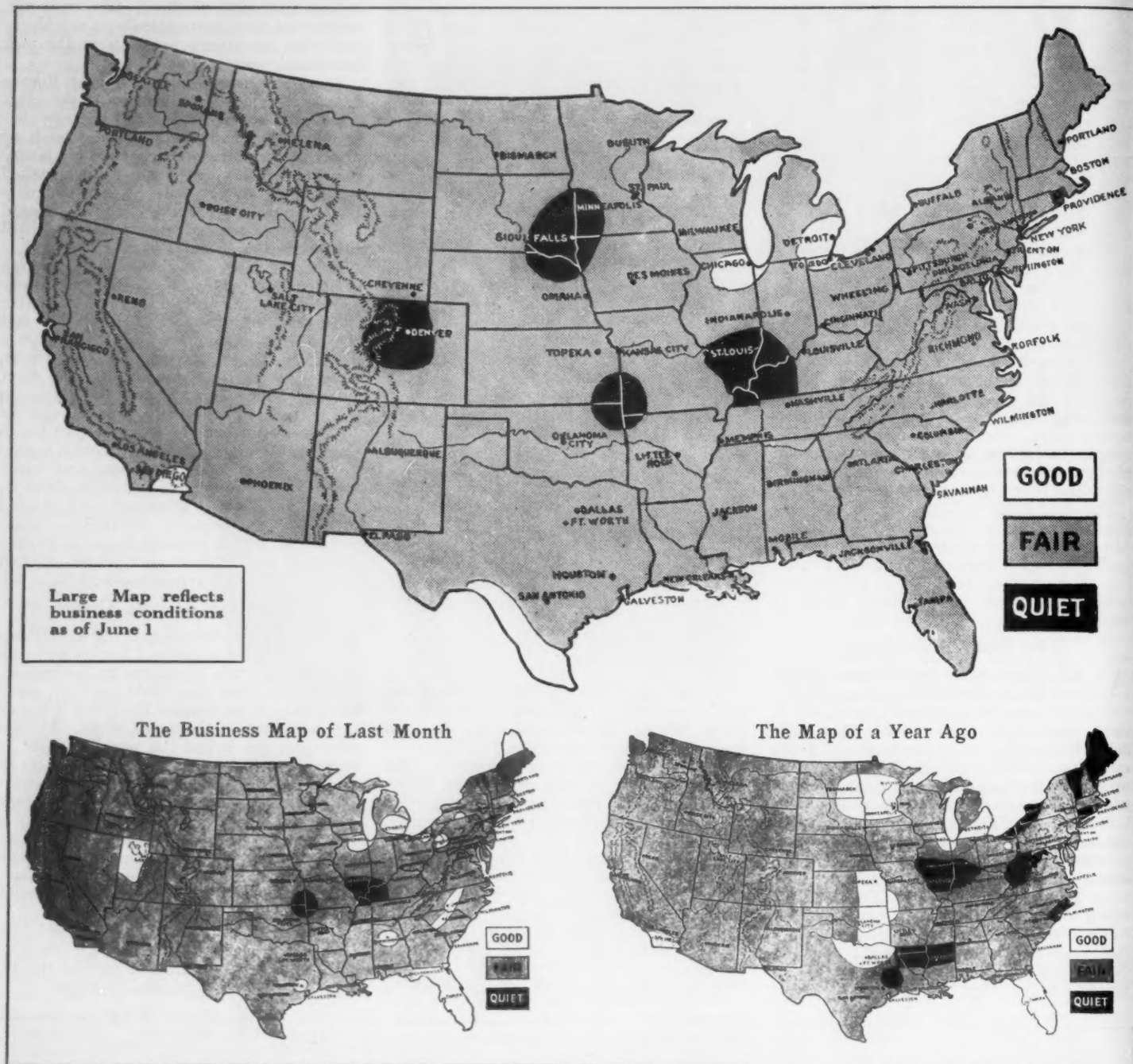
IT WOULD be difficult to make an estimate of the amount or value of foreign road construction in which Americans are actively interested all over the world, and it would be impossible to measure the effect it has on the daily lives of thousands of us. Modern commerce has bound the world so tight in its mesh that the slightest change affects us all. The day when the farm of Jones's great-grandfather provided all the family needed in clothing and food and shelter is gone. Jones levies on all the world and all the world depends upon Jones or his neighbors. That is what makes commerce. Nothing has affected modern commerce so much as the automobile.

The Tasmanian and the Egyptian and Juan Chiapas, and the Jones's and car checkers and toolmakers, are all held fast by threads spun in the dust of new-made roads.



In the most backward countries, commercially, neither modern highways nor modern transportation are found

The Map of the Nation's Business



By FRANK GREENE

Managing Editor, "Bradstreet's"

EVIDENCE of a lack of coordination, or of concerted results, seems borne in upon the mind after a survey of the course of distributive trade and industry in recent months. It likewise presents some varying developments. For one thing, retail trade in some lines, aided by slightly more seasonable weather, made about the best showing in May of any month this year, but wholesale and jobbing trade moved cautiously with little net gain recorded, and industry tended—and apparently still tends—to recede still further from the high peak points reached, mostly, in the first quarter.

In considering the causes for these va-

riations it is well to recall that distributive trade reports gave first warning of the recession that is being brought out in the tardier or "slower burning" statistics of manufacturing output, of bank clearings and debits now coming to hand.

Two, perhaps three, points in connection with these developments seem worth remembering. One is that the statistics of percentages of gain in sales by chain stores, mail-order houses and department stores, while varying downward in the order named, were, judging from the widespread complaint among smaller distributors outside of those three classes, better than those reaped

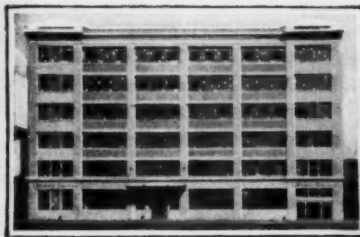
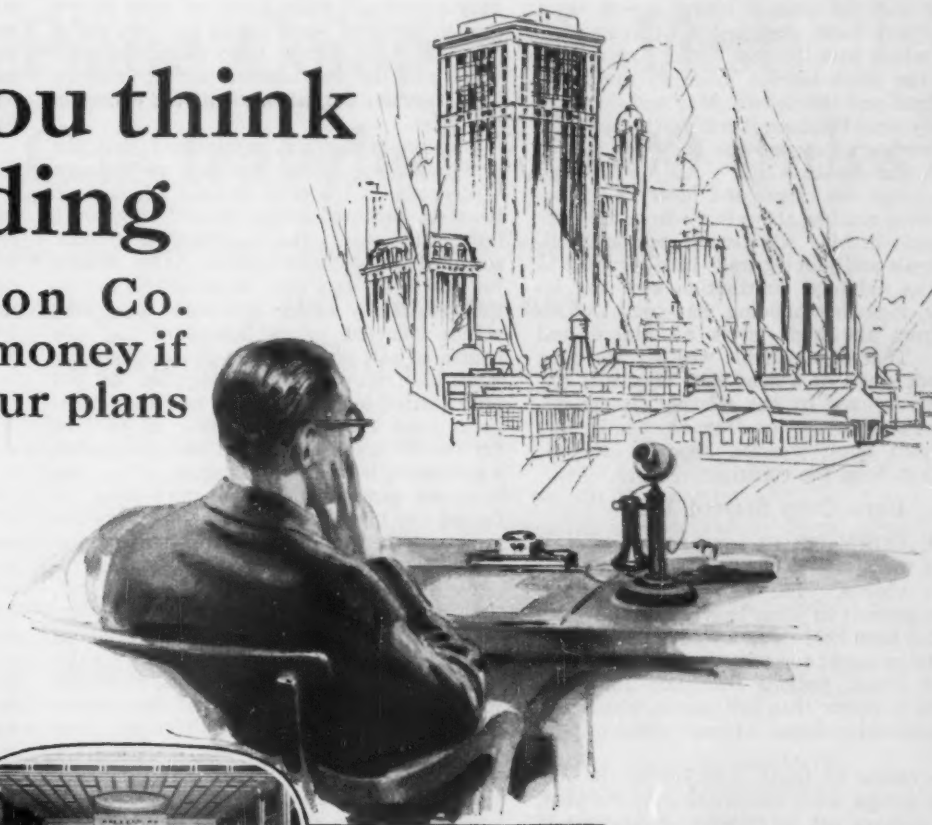
by the latter, no doubt the largest group of distributors.

Another point is that despite the early recessions in distribution and the later and present quieting down visible in production, the reaction in most lines has moved at a more leisurely pace than one or two years ago. Of course the fact that this spring's business has naturally had to compare with receding activities at about the same time in recently preceding years has made it difficult to measure the exact ebb and flow—especially the ebb—this spring.

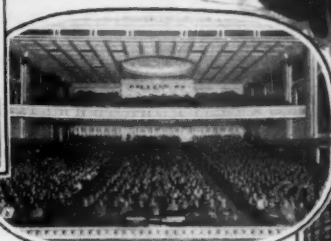
In respect to this year's recessions, now too plain to be denied, it may be said that

When you think of building

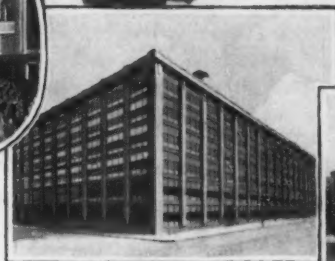
The Ferguson Co.
will save you money if
they make your plans



*Library Bureau Building,
Brooklyn, N. Y., six stories and
basement designed, built and
occupied in five months.*



*School House of National Cash
Register Co., Dayton, O., completely
rebuilt with full size stage and
scenery. Acoustics guaranteed.*



*Delco's largest building.
10 acres of floor space.*



*General Electric Co., Schenec-
tady, N. Y. Wire and cable
building. Nearly 1000 ft. long.*

YES—you can save money by putting Ferguson ideas to work on your plans.

Not because Ferguson buys materials so much cheaper than anyone else—although Ferguson's large contract purchases do secure important price concessions.

But—because Ferguson engineering is *exact*—based on cost records of hundreds of Ferguson-built jobs at home and abroad.

Because—Ferguson engineers work hand in hand with Ferguson construction men. Every item of cost is double-checked.

Because—Ferguson's plans are complete. *There are no "extras."* You know in advance the exact cost—*guaranteed if Ferguson does the building.*

The Ferguson way is the up-to-date way

of building. It's the way National Cash Register, Procter & Gamble, General Electric, Liggett & Myers, and hundreds of other great industries are building today.

It's easy to prove that Ferguson can save you money. Telephone, telegraph or write the Ferguson Company. A Ferguson engineer will call on you. Talk with him. Give him *your* ideas. Then, within 24 hours—and at no cost to you—he will have in your hands a rough sketch and estimate.

No matter what type of building you want, or where you are located, let Ferguson make your plans.

THE H. K. FERGUSON COMPANY
Cleveland: 4900 Euclid Bldg.; New York: 25 West 43rd Street;
Detroit: General Motors Bldg.; Birmingham: Title Guarantee Bldg.
Tokio, Japan: Imperial Hotel

Ferguson

ENGINEERING AND BUILDING

the break in the stock market in the late winter and the coldest spring season since 1907, have both exercised far-reaching effects which have become better appreciated since the stock market made its upturn in late April and throughout May and more especially since brighter, if not exactly warmer, weather has succeeded the backwardness of March and April.

Whatever the causes and however the results were reached there is evidence that retail trade in May was better than in April. Wholesale and jobbing trade hardly gained as much as did final distribution and that industry, including building, has continued to sag from the high levels of March and April. That unseasonable weather has been the root cause of a good deal of this is apparently proved by the relatively more depressed reports coming from the textile and associated lines, wearing apparel, and the like, than from the constructive lines.

Corn Crop Started Well

THE CORN CROP has had a fair start but the prospect of burdensome surpluses is not visible. The natural tendency of potato growers to plant heavily of their main crop has been held down by adverse weather. And the prospect for a better market for our surplus wheat, judging from late European advices, is better than last season which saw the practical collapse of our wheat export trade.

The course of trade, monthly, in the following groups since the opening of the year, while perhaps not descriptive of retail trade as a whole, is interesting because of the apparent arrival of tardy buying in the latest reported month.

| | Chain stores | Mail orders | Dept. stores |
|---------------|-----------------|----------------|-----------------|
| January | Inc. 12.5 | Inc. 9.0 | Inc. 4.2 |
| February ... | Inc. 11.7 | Inc. 7.4 | Inc. 2.6 |
| March | Inc. 17.0 | Inc. 12.3 | Inc. 6.8 |
| April | Inc. 9.7 | Inc. 4.4 | Dec. 1.7 |
| May | Inc. 18.4 | Inc. 14.2 | Inc. 7.3 |
| Five months.. | Inc. 13.8 | Inc. 9.8 | Inc. *3.5 |

* Four months.

Statistics of the leading textiles seem, as above indicated, to point to the importance of the weather as a slowing down element in general distribution.

Approximate deliveries of silk to mills in May are reported as the smallest total recorded since December, 1925.

Cotton consumption in April was 9 per cent below the peak total of March and 3.4 per cent below April, 1925, but the gain for the season, to and including April, over the year before was 5.7 per cent.

Wool consumption for April was 10.5 per cent below March and 8 per cent below April a year ago.

Among the significant measures of movement revealed in the May statistics may be mentioned the clearings totals, pig iron production, ingot steel output and failures. All showed decreases from the peak totals of some time ago, but are still in excess of those of like periods a year ago.

Clearings Show Small Gain

CLEARINGS showed a gain of 1.2 per cent over May a year ago and the excess for the year to date is still 6.6 per cent.

Daily pig iron output lost 2.3 per cent from April, but the longer month made for a new monthly peak for the year and the largest monthly output since July, 1923.

Steel ingot output in May though 12 per cent below March, was 14.2 per cent over a year ago.

May failures were 5.9 per cent below

those of April, but 4.3 per cent in excess of May a year ago while liabilities were 26 per cent in excess of April and 51 per cent above May last year. Some large Florida suspensions and the continuance of the western bank troubles furnish most of the excess in liabilities.

Opinion is not yet crystallized that the slowing down in the monthly percentages of decrease in the price indexes (there have been six such reductions since December 1 last year), marks the approach of another so-called stabilization period. One reason for this is the fact that the weakness in textiles, especially cotton and wool, has powerfully affected prices downward and the course of raw cotton prices in the past year with the reported liberal supplies of old crop carried over and better new crop prospects have created uncertainty as to how far the decline may go. A strong supporting element in prices as a whole of late has been the provisions groups which have reflected the highest prices for four years for hogs and the sympathetic strength of other products of this useful member of society.

For the fourth successive month this year, the imports of merchandise for April exceeded the exports, although the excess was slight. Part of this was due to smaller shipments of foods, mainly the grains, especially wheat and wheat flour, and of raw cotton and cotton manufactures, while part was due to larger imports of raw materials for manufacture.

The excess of exports for the fiscal year, a quarter of a billion dollars, is only a fourth of the excess a year ago and only slightly in excess of that for the fiscal year 1923.

On the Annual Meeting

THREE thousand or more men representing all of the businesses and all of the industries of every section of the country come together for three or four days to discuss the problems of making and selling those things that men live by," observes *Engineering News-Record*, referring to the annual meeting of the Chamber of Commerce of the United States.

"The best thought of the leaders of business is there put into words and the summarized activity of a year's effort by the chamber's employed staff and designated committees is placed before a receptive audience.

"It is inevitable that much that goes on in such a meeting will be commonplace, that there will be vain repetitions and specious platitudes. Such faults seem to lie beneath all of our group organizations; when more than a few men get together in parliamentary solemnity they lose some of their individual conciseness of thought and speech in high flown phrase and compromise opinion. The chamber meetings cannot escape this general criticism, but even such criticism does not seriously detract from the value to the country that these meetings have.

"It is a fact that there are here gathered probably the most representative lot of business men the country gets together.

"They are in Washington at this time with open minds to learn whither we are tending economically.

"They are not especially concerned with particular businesses; the woolen merchant isn't there to learn about Australian sheep-growers nor the automobile manufacturer about motor saturation. They are all there

One of the features in the year's movement of commodities over the country's railroads has been the relatively larger gain shown in gross receipts than in car loadings, in this respect reversing other years when apparently car loadings were less per car.

Thus for four months of this year receipts just short of \$2,000,000,000 in gross, representing a gain of 3.7 per cent over 1925, compare with an increase of only 1.6 per cent in cars loaded. Net operating income for four months, \$299,867,494, was 10.6 per cent in excess of last year, but this represents only 4.76 per cent on the tentative investment. Last year the proportion was 4.41 per cent.

Building Falls Off Again

RECESSION was a feature in building in the spring of last year and of 1924 and is likewise present in the current year. March of 1924 was the peak month in house, office and store building. April, 1925, was second only to that month and March this year has seen the biggest month's planning so far. In May, this year, 165 cities reported a decrease of 13.6 per cent from April, 5.6 per cent from May a year ago, and 22 per cent from March, 1924. For five months of 1926 building authorizations are 3 per cent below that of 1925 and about equal to that of 1924. In view of the fact that the production and sale of building lumber is far ahead of last year, the inference finds circulation that building in the smaller villages and in the country proper is really absorbing the considerably increased supply.

as the part of the big whole of American business to learn of its problems and their relation to the social and economic development of the country.

"They are, therefore, in a most receptive state of mind for wholesome doctrine. And such doctrine they get, for the speakers, freed from the inhibitions of a particular business, take broad views and advance constructive thought.

"Much that a few years before would have been called radical has been put forward at these meetings by broadminded men who see the country as a unit and under such auspices has been accepted by the individual who had he heard such ideas in his own trade or business would have resented them and rejected them to his own disadvantage.

"Business as a whole proves much more broadminded and progressive than the individual business man, and that individual, finding himself in an atmosphere of perspective thinking, cannot escape losing some of his narrowness.

"And so each one of these three thousand goes back to his own community and trade inoculated with a virus, which in turn he transmits to his own group. It is this disciplic transmission which is the greatest justification of the Chamber of Commerce of the United States.

"Its investigatory work is useful and necessary and its referendum opinions on public questions have a certain value in defining a state of mind, but its missionary work in inculcating in the average business man a forward-looking attitude on the general problems of industry and economics is worth all the effort and money the organization costs."

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Baldwin Piano Company's First Studebaker Car traveled 72,000 miles

—it proved the higher economy of Studebaker equipment, so today this company uses Studebakers exclusively

THE first Studebaker owned by the Baldwin Piano Company, Chicago, traveled 72,000 miles "with practically no repair expense." With this experience as a foundation, the company purchased another Studebaker. And as further equipment was needed, more Studebakers were added to the fleet which now consists of eight cars—all Studebakers.

Of these eight Studebakers, one has covered 57,000 miles in two years, two others have mileages of 25,000 and 23,000 miles for just over a year's driving. Cars are used to bring prospects to the downtown store, averaging 75 to 100 miles a day.

Even under city driving conditions, with continual stopping and starting, the cost of operation has been remarkably low. As the letter below shows, "Studebaker upkeep is almost negligible, only minor repairs and adjustments being needed."

Longer life, lower depreciation

Like the Baldwin Piano Company, many national concerns have found that a Studebaker car, after 25,000 miles of service, is only in its prime. Upwards of 50,000 miles is not unusual for a Studebaker. In a recent advertisement in this publication, Studebaker listed 274 owners who have each driven their Studebaker cars 100,000 miles or over. Since publishing this list, the factory has received additional reports increasing the total to 750 owners—and more reports are coming in every day.

Studebaker cars give many more years of dependable service. And though their first cost is slightly higher, this cost is spread over a longer period. As a result, the depreciation cost of Studebakers is much lower, thereby effecting important savings for fleet-owners.

Low operating cost

Reports from many fleet-operators show that the 6-cylinder Studebaker can be operated for practically the same cost as the ordinary 4-cyl-

Below: The fleet of eight cars—all Studebakers—maintained by the Baldwin Piano Company, Chicago

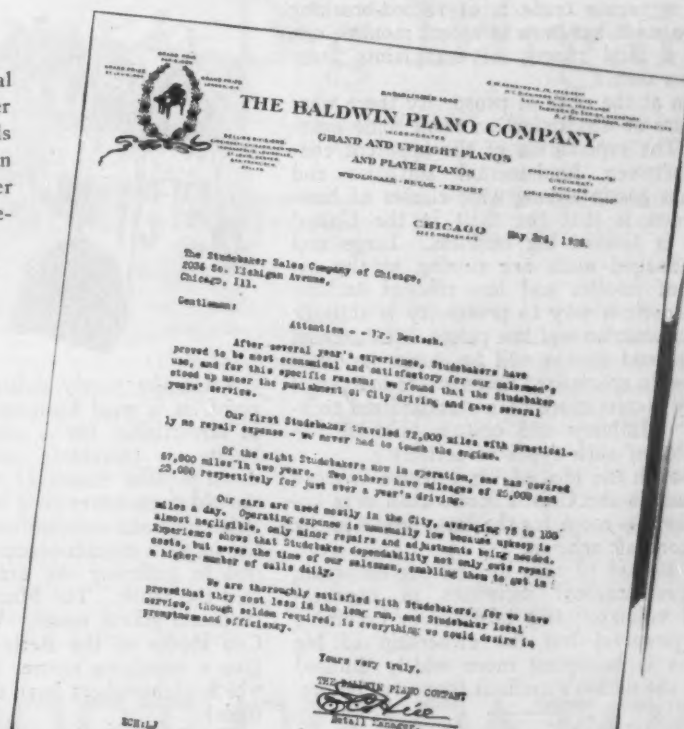
inder car, which varies from 5½ to 6 cents per mile. It is significant that Studebaker repair parts sales for 1925 averaged only \$10 per car in operation.

Thus, with its low operating expense and its much lower depreciation, the One-Profit Studebaker actually costs less in the long run. In addition, its much finer appearance creates prestige. And its greater power, greater comfort and greater dependability enable the salesman to cover more territory and produce more business.

One-Profit value

Higher quality and lower price are made possible in Studebaker cars by savings effected through Studebaker's famous One-Profit plan of manufacture.

Particulars of Studebaker cars in fleet-service will gladly be sent to interested parties.—*The Studebaker Corporation of America, South Bend, Indiana.*



STUDEBAKER CARS COST LESS IN THE LONG RUN

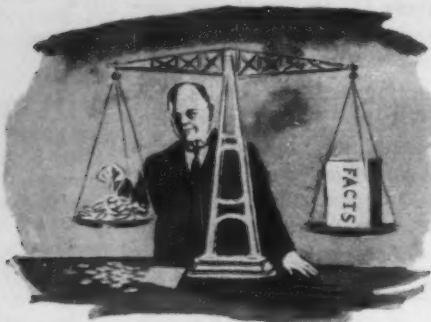
What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

AMERICA is overcoming the economic illiteracy which Frank A. Vanderlip lamented a decade ago.

Business men are becoming more scientific in their methods. Through organized trade bodies, chambers of commerce and other government agencies, men of commerce are mobilizing business data more effectively and are tending to proceed in the light of known facts.

Business decisions are coming to depend



more upon precise knowledge and less upon hunches and intuition.

Of course, the business millennium is still far distant to those laggard men of commerce who, failing to keep apace with the new trend, are tending to fall behind in the new competition for preeminence. Even when aggregate trade is of record-breaking volume, as it has been in recent months, one hears a loud chorus of complaints from business men.

Even at the peak of prosperity there were murmurs of dissatisfaction from some quarters. The explanation of the apparent conflict between fundamental statistics and common gossip among wide classes of business men is that the drift in the United States is toward big business. Large and well-managed units are gaining at the expense of smaller and less efficient factors. The American way to prosperity is through mass production and low prices. (Of course, there is and always will be, room for little business in specialized fields where individual artistry counts more than standardized technique. Millinery and custom tailoring are examples of such types of activity.)

Although the idea of big business is more dominant in the United States than ever before, there is room for the little fellow in the new economic scheme.

The masses of men are buying corporate and governmental securities in unprecedented volume. Big business is becoming more powerful but the ownership of big business is becoming more widely diffused among the nation's millions than ever before.

IN STUDYING recent real estate booms and recessions, Wall Street men whose primary speculative interest is in the stock market, take the view that short selling which is frequently the subject of popular attack is, in reality, of great value as a stabilizer. The value of short selling is illustrated by the absence of the device as a corrective in real estate markets. It is almost impossible to check inflation of land values through natural means because there is no provision for short selling of lots. The

bear or short seller sells securities which he does not own, hoping thereby to profit from an anticipated decline at a time when prices are high. Thus he tends to prevent excessive rises in market values. On the other hand, when the decline comes and the public generally becomes increasingly pessimistic as prices fall, the bear supplies buying power by purchasing back the borrowed securities which he used earlier in the operation to complete the contract of delivering securities which he did not possess.

The Wall Street bear may win a great fortune. That is problematical, but it is certain that he will arouse popular wrath.

The bear speculator thrives on mass superstitions and mistakes. He disbelieves that the trees of prosperity can grow without interruption up to the skies. He takes the position that even good stocks sometimes sell above their intrinsic values. He hopes to profit by restoring reason, and inasmuch as he helps to frustrate the ambitions of many amateurs who are guided by greed and unreasoning hopes and fears, he is hated.

MUCH of the new talk about new ethical spirit in business is little more than talk. The only worthwhile new codes are those which formulate the new practices and desires of business men. Those which are merely the idealistic aspirations of outsiders are without practical significance.



From the purely dollar and cents standpoint, it is good business to insist on truth in advertising, for a spirit of truth-telling builds up confidence and tends to break down popular resistance to advertising. In the old days, advertising was little more than boisterous and competitive lying. The public, in such circumstances, hardly felt justified in believing the exceptional man who told the truth. The Macy incident raises a thousand subtle issues. What is the truth? Can clerks of the Better Business Bureau give a satisfying answer to a question over which philosophers have differed for generations?

The Better Business Bureau, which is supported by voluntary contributions of business men and bankers, attempts to articulate the conscience of the business men of the community. It is an extra-legal body and must continuously justify its right to existence by good works.

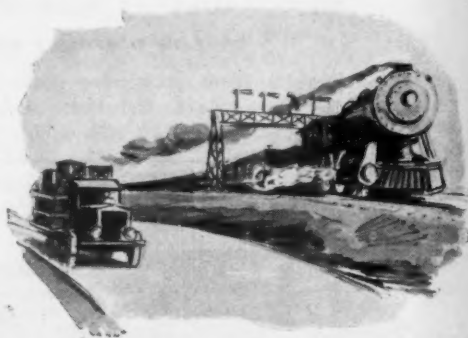
The Better Business Bureau of New York City was established four years ago as a result of the offer of the New York Stock Exchange to make available \$100,000 to finance the first year's work. As a result of

this step, the Bureau is commonly regarded as a creature of the constructive forces in Wall Street. The financial district has been watching with interest the conflict with Macy's which brings up issues which go to the roots of the whole Better Business movement. Even those who disagree with Macy's in this particular controversy recognize the enterprise and capacity of the management responsible for the policies of the stores.

FASHIONS and speculative manias change through the years. At one time the vehicle for attempting to get rich quick is oil stock, at another it may be mining securities; recently the great popular delusions have been concerning the value of undeveloped real estate. Florida is now suffering from some of the inevitable economic results of over-selling.

AS A RESULT of this more scientific attitude, the business cycle—the periodic swings from prosperity to depression—is being significantly altered. Capable managers are adjusting their programs to the varying factors which ordinarily cause a shift from good times to bad. Business men recognize that they cannot, by mere wishing, prevent fluctuations in the weather, but by equipping themselves with proper clothing they can make themselves comfortable during the freezing days of winter and during the torrid days of summer. Delicate adjustments to expected changes in the financial weather are helping to obviate the intense suffering which came periodically in the age of cruder methods of economic analysis.

One current business habit which is helping to modify the business cycle is the widespread new disposition of business men to buy from hand to mouth instead of piling up huge stocks of merchandise in anticipation of future demand. As a result of this custom, the astute merchant has eliminated a degree of risk from his business and is ready for any contingency. This policy is made feasible by the fact that the American railroads, more efficient than ever before in the past, and supplemented by motor truck transportation, are able to make quick deliveries of goods from maker to user.



A study of the business history of the United States shows that in the past no violent and critical trade reactions of major proportions have taken place at a time when shelves of merchants and manufacturers were not over-crowded.

Moreover, in the past no panicky set-

Of

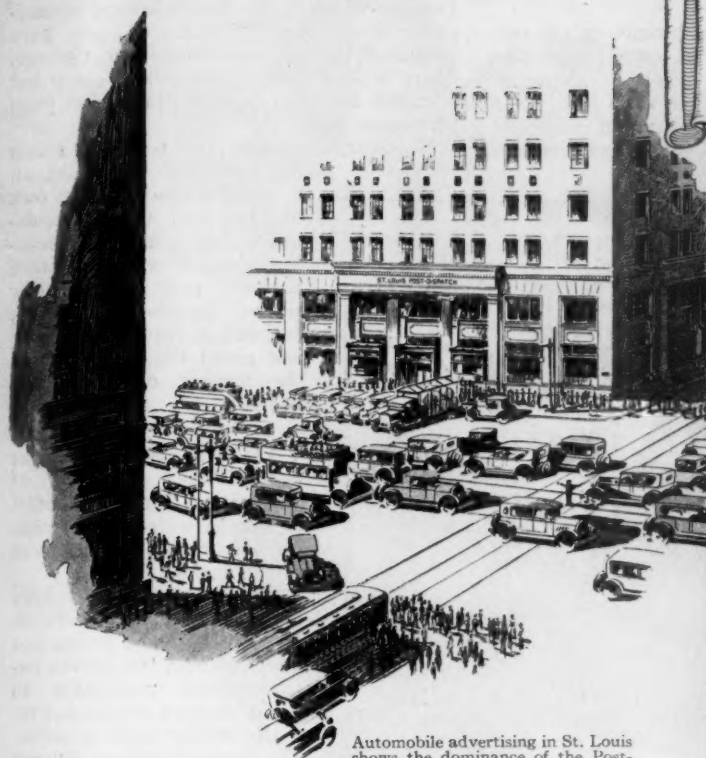
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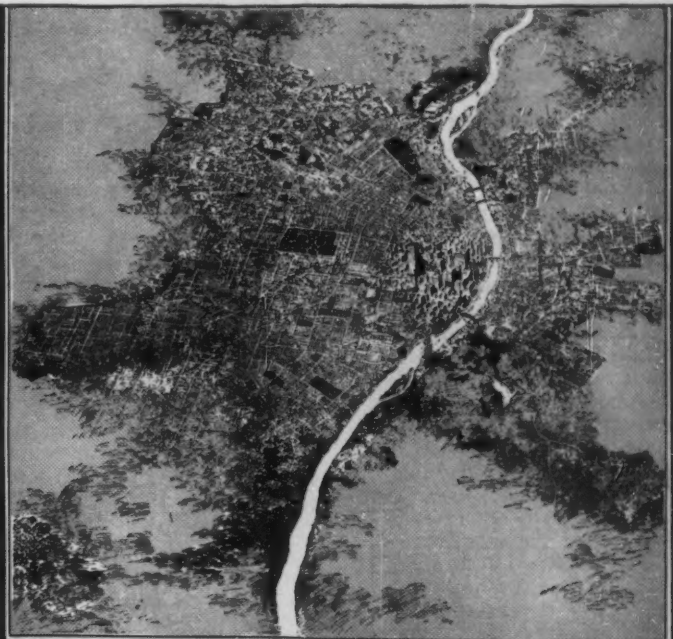


Automobile advertising in St. Louis shows the dominance of the Post-Dispatch in selling any and all products in The BILLIONAREA.

With 4 daily newspapers in St. Louis, the Post-Dispatch, in 1925, carried within 1% of as much automobile advertising as all other St. Louis newspapers combined.

The BILLIONAREA

—the GREATER ST. LOUIS MARKET

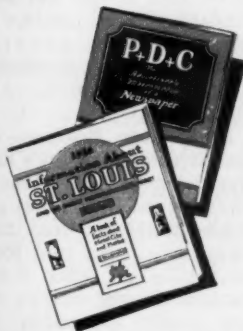


The BILLIONAREA is more than a market name—it is a market condition. In addition to its unusual prosperity and growth, Greater St. Louis offers advertisers an annual purchasing power of over a BILLION dollars—one of the highest average purchasing powers per family of any city in America.

A Big Market at a Big Bargain!

What is it that makes The BILLIONAREA so attractive in its advertising and sales opportunities?

It is the extraordinary conjunction, of two factors, which occurs only in one other metropolitan area. Those factors are: A high and rapidly increasing buying power of the people; and a newspaper that offers a low cost coverage of remarkable effectiveness.



The BILLIONAREA is experiencing a tremendous commercial growth. It might be called a "boom" if it were not for the sound and fundamental character of the underlying reasons, which assure the continuation and expansion of this prosperity. (These reasons are fully covered in the books mentioned below.)

Throughout The BILLIONAREA money is rolling into family pocket-books as never before. Purse strings are loosened.

Standards of living are rapidly on the rise. Money is being spent for commodities of every character in unprecedented volume.

The enterprising advertiser who wants to expand his market will find few such opportunities as those which exist in The BILLIONAREA.

The opportunities of the market are all the more attractive because of the low cost of effectively covering it through the St. Louis Post-Dispatch alone. Without duplicating circulation or advertising cost, you may enter the home of practically every family of buying consequence in Greater St. Louis.

Greater St. Louis is a market large enough to be a real factor in any manufacturer's total volume of sales—a market of extraordinary prosperity and responsiveness to advertising. A really effective coverage at so low a rate will suggest to the advertiser the wisdom of special advertising action in The BILLIONAREA through its dominant newspaper, the St. Louis Post-Dispatch.

ST. LOUIS POST-DISPATCH

The highest ranking P + D + C newspaper of The BILLIONAREA—the Greater St. Louis Market

The P-D-C rating is the advertiser's micrometer for measuring both market and media. "P" is population, people, families, the number of purchasing units. "D" is dollars, wealth-production or per capita buying power. "C" is circulation concentration or coverage—the ability of a media to saturate its market with sufficient circulation to be effective in moving goods in volume.

The P-D-C Manual and the Book of Information about "The BILLIONAREA"—the Greater St. Louis Market, will be mailed free to anyone interested in the advertising of products in this market. Address St. Louis Post-Dispatch, St. Louis, Mo.

backs have taken place in business when credit was abundant as it is at present. The huge supplies of credit which are based on the enormous gold holdings of the United States constitute a safety valve in the present situation. However, easy money by itself does not mean a continuation of maximum activity in trade. There was a moderate downward swing in business in 1924 despite the huge reserves of credit facilities.

Thus far in 1926 business has been going through a silent readjustment. The downward swing in the average price of representative commodities has been the measure of the corrective process. The operation on prosperity was localized and mild in character.

With underlying economic conditions pre-eminently sound as they have been in the United States since the post-war reaction in 1920 and 1921, America has developed a new style of short swing business cycles. The chief differences from the pre-war cycles are in the shortness of the duration of the sequences of events and the moderate character of the changes. Since 1921 most changes in business cycle have been almost imperceptible and can be discerned only by the use of delicate statistical instruments.

America is in the midst of a long term period of prosperity. The short swing cycles are minor movements in the long term trend. These minor movements consist of an attempt on the part of responsible business leaders to attune production to consumptive demands and thus keep the channels of commerce free of congestion.

The frenzied bull speculation in securities and in undeveloped real estate which culminated late in the winter, raised the question of whether business men too would become intoxicated with inflation and depart from the wise methods which have prevailed in recent years.

EXPLOITERS of public gullibility are especially active at present in the Muscle Shoals area. The Better Business Bureau of New York City reports that realty operators with no fewer than 240 subdivisions have been offering 90,000 lots in that Alabama district on the Tennessee River where the United States Government built two nitrate plants, which have been idle for the last seven years, during the war, and also constructed large power facilities by building the formidable Wilson Dam.

Undoubtedly Muscle Shoals, like most other sections of the United States, possesses substantial assets. Criticism cannot be properly directed at the district itself, but only at the effort of unscrupulous vendors to build a super-structure of fantasy and

prediction on the basis of actualities. As one competent observer with first hand information on the Muscle Shoals situation pointed out:

"To assume that land promoters are selling only undeveloped real estate is to miss the significance of the whole development. They are selling more than rural land, more than bait in the form of paved sidewalks running uneconomically out to nowhere. In

greatest industrial cities in the world. Vendors have openly asserted that Muscle Shoals is soon to become a greater city than Detroit, which is the fourth largest municipality in the United States. Others have predicted that it will be another Chicago. There is an old adage that talk is cheap but such talk has been capitalized at a stiff price per square foot."

However, the excesses in both real estate and security speculation eventually proved their own undoing and these speculative markets, instead of leading business onward toward unsound practices, in their recent reactionary phases, sounded a cautionary note and saved the country from the menace of a business boom.

DRAMA perpetually lurks in the operations of Wall Street but the conflict of human wills which makes genuine drama, rarely comes to the surface.

The row which has been brewing for months between New York's most prosperous merchant and the private bureau which undertakes to guard business morals has recently ceased to be a secret. The Better Business Bureau of New York City, which has done effective work in exposing small and uninfluential offenders against its code of commercial ethics, has turned its big guns of criticism against one of its own chief supporters and founders. Irrespective of the merits of the present controversy with R. H. Macy & Company, which sells more merchandise each year than any other single store in the metropolitan district, the Better Business Bureau has demonstrated its independence and sincerity. It has shown that it has the same standard of good conduct for prosperous and powerful members of the community as it possesses for the little fellows.

The Better Business Bureau objected to Macy's daily advertising slogan, "lowest prices in the city," and also to the statement that their prices were 6 per cent lower than those of other stores. For months the matter had been under discussion but parleys served only to widen the breach. Finally Macy's publicly announced its resignation from membership in the Better Business Bureau which it charged with meddling. The issue strikes at the very heart of the reform movement in business and subjects the Better Business Bureau to the most searching test in its career.

The Macy spokesman pointed to the long and honorable record of the firm and asserted that low prices constituted the cardinal policy on which the success of the enterprise was based. As to the criticism that investigations indicated that Macy prices

BUSINESS INDICATORS

Latest month of 1926 and the average month for the years 1925 and 1924 compared with the average month for the year 1923
Average month, 1923=100%

| | Latest Month 1926 | Average Month 1925 | Average Month 1924 |
|---|-------------------------|--------------------------|--------------------------|
| Production | | | |
| Pig Iron..... | 104 | 91 | 78 |
| Steel Ingots..... | 114 | 102 | 85 |
| Copper (Mine Output, U. S.)..... | 119 | 114 | 107 |
| Zinc..... | 120 | 111 | 101 |
| Coal (Bituminous)..... | 82 | 93 | 86 |
| Petroleum..... | 99 | 103 | 97 |
| Electrical Energy..... | 125 | 118 | 90 |
| Cotton Consumption..... | 106 | 99 | 85 |
| Automobile Production..... | 134 | 106 | 89 |
| Rubber Tires..... | 145 | 134 | 114 |
| Cement—Portland..... | 108 | 117 | 109 |
| Construction | | | |
| Contracts Awarded (36 States) Dollars..... | 157 | 146 | 112 |
| Contracts Awarded (36 States) Sq. Ft..... | 141 | 131 | 103 |
| Labor | | | |
| Factory Employment (U. S.)..... | 93 | 92 | 91 |
| Factory Payroll (U. S.)..... | 98 | 95 | 92 |
| Wages—Per Capita—(N. Y.)..... | 106 | 104 | 102 |
| Cost of Living..... | 104 | 104 | 101 |
| Transportation | | | |
| Operating Revenues..... | 100 | 97 | 94 |
| Net Operating Income..... | 115 | 116 | 100 |
| Freight Car Loadings..... | 105 | 103 | 98 |
| Net Ton Miles..... | 101 | 100 | 94 |
| Trade—Domestic | | | |
| Mail Order House Sales..... | 109 | 123 | 107 |
| Department Store Sales..... | 107 | 106 | 101 |
| Wholesale Trade..... | 99 | 101 | 99 |
| Chain Stores..... | 123 | 127 | 112 |
| Trade—Foreign | | | |
| Exports..... | 112 | 118 | 110 |
| Imports..... | 126 | 111 | 95 |
| Finance | | | |
| Debits—New York City..... | 129 | 131 | 111 |
| Debits—Outside..... | 115 | 114 | 102 |
| Failures—Number..... | 111 | 113 | 110 |
| Failures—Liabilities..... | 75 | 82 | 101 |
| Stock Prices—20 Industrials..... | 148 | 142 | 105 |
| Stock Prices—20 Railroads..... | 130 | 122 | 105 |
| Shares Traded In..... | 121 | 196 | 119 |
| Bond Prices—40 Bonds..... | 110 | 107 | 103 |
| Bond Sales..... | 108 | 124 | 137 |
| New Securities Issued..... | 85 | 101 | 89 |
| Interest Rates—4-6 mos. Commercial Paper..... | 80 | 81 | 78 |
| Wholesale Prices | | | |
| U. S. Bureau of Labor Statistics..... | 98 | 103 | 97 |
| Bradstreet's..... | 95 | 104 | 97 |
| Dun's..... | 99 | 104 | 100 |
| Fisher's..... | 96 | 101 | 94 |

Prepared for NATION'S BUSINESS by Statistical Department, Western Electric Company, Inc.

addition to these tangible things which can be grasped by the senses, they are selling ideas and they are capitalizing these at extravagant figures. These ideas are bought and paid for out of the hard earned savings of small investors who are ill-advised by their own greed and unreasoning desire, as well as by the representations of salesmen.

"The chief idea which is being sold is that Muscle Shoals is destined to become, if not the greatest, at least one of the



COUNTER



OFFICE



DESK



HOME

\$ 100

Delivered in U.S.A.
Easy terms if desired

Burroughs

Portable Adding Machine

In this new Burroughs, portability and low price are combined with Burroughs quality, dependability and accuracy. Big business is using this machine on individual desks in various departments. The small retailer is using it on his counter and in his office. Professional men, secretaries of organizations and others find it indispensable in their offices and homes for busi-

ness and personal accounts.

The Burroughs Portable adds up to \$1,000,000.00; has standard visible key board and one-hand control. It prints ciphers and punctuation automatically. It requires little more space than a letterhead. The price is only \$100 — \$10 down — balance in convenient monthly payments. Mail the coupon today.

BURROUGHS ADDING MACHINE COMPANY, DETROIT, MICH.

Mail This
Coupon Today

Burroughs Adding Machine Co.
6531 Second Boulevard,
Detroit, Michigan.

I would like to have a demonstration of the Burroughs Portable Adding Machine.

Name _____
Street _____
City _____
State _____

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were not universally lower than those of competitors, Macy's took the position that in a practical sense the slogan was truthful although it might be open to question in an abstract philosophical sense.

For its part the Better Business Bureau declared that the objection to the Macy slogan was that it tended to impair confidence in the advertising of all competing stores and was in the nature of unfair competition.

Who is to be the final judge?

Macy's contends that the matter is one to be decided on the initiative of the management without outside interference.

Certainly Macy's view would have been almost universally sustained by business men twenty years ago.

WALL STREET lacks many things but one of its deficiencies is not a sense of humor. Once a year the great and near great of the financial district gather at the Sleepy Hollow Country Club under the auspices of the Bond Club and on this sacred occasion all rules of propriety and diplomacy of conduct are suspended. On such occa-

sions the spirit of the party is articulated by the *Bawl Street Journal* which ruthlessly and without reserve satirizes the faults and foibles of the great banking houses, banks and leading personalities of the American world of finance. Reading the *Bawl Street Journal* which is signally rich in biting satire is an antidote to perusal of the success magazine which take the viewpoint that every solvent business man is of heroic stature.

The newspaper which comes out only once a year is edited by and for individuals in the investment business. The success of the *Bawl Street Journal* shows how good natured the real men of the financial district are. The biggest of them do not object to being ridiculed on this day of privileges; they only object to being ignored.

WALL STREET is beginning to run into the vacation season. The peak of seasonal absences, however, is not reached until after the July reinvestment demand is filled. The financial district is more deserted in August than any other month. Big banking deals and stock market operations do not

conform to any rigid seasonal schedule, yet less of importance is ordinarily arranged in August than any other month.

Executives who wish to rest during the summer and yet keep in touch with important matters are finding the solution in extended week-end vacations.

The president of one of the large national banks in Wall Street originated a new system which consists in working on Mondays, Tuesdays, and Wednesdays during the summer months and in calling the rest of the week the week-end.

This device for combining business and pleasure is particularly popular among presidents and active vice-presidents.

The chairmen of the boards find it feasible to take extended trips lasting three months or more.

HERE is Wall Street's favorite story of the month: A widow raised two sons in whom she had great hopes for a brilliant future.

Eventually one became a hermit and the other vice-president of a bank. And nothing was ever heard of either one again.

Praise and Criticism for Frank R. Kent

His Article, "Why Is Business Left Out?" Stirs Up a Lot of Lively Discussion

IN NATION'S BUSINESS for May, Frank R. Kent, of the *Baltimore Sun*, made some sharp criticisms of the historians of the United States, who, he asserted, had overstressed politics and war and understressed industry in our histories.

The Kent thesis has aroused wide discussion. Daily newspapers in New York and Chicago and Boston and in forty or more smaller communities have taken it up; the American Council of Education had something to say of it; federal and state educators wrote to NATION'S BUSINESS. And not all were in agreement.

Business, Behind the Scenes

IT WAS Dean C. E. Hewitt who brought it before the Council. Said he:

Mr. Kent states that the trouble with the average man's understanding of the place business affairs occupy in his country's government and history is that he has never been properly taught either business or history. Everything he has read, all the oratory he has listened to, the general tenor of the news dispatches upon government affairs which he has scanned—all have tended to give him the conviction, a superficial conviction probably, that all history and government have depended solely upon soldiers, politicians and statesmen.

As a matter of fact, a business man of some sort really was the motivating force behind every important political and martial episode in the world's history.

Historians slur over the most important factor in the making of a people, the industrial factor, or as some one has put it, "They play Hamlet with the Hamlet left out." The historian has cast the Captain of Infantry and not the Captain of Industry as his hero.

Alexander C. Flick, state historian of New York, wrote that the situation was not, to his mind, as bad as Mr. Kent made it out, although he admitted that the Kent argument was basically sound:

The contention made by Mr. Kent that busi-

ness has been considerably ignored in the writing up of school texts on American history is largely true. The reason for this is due to the fact that the business documents have not been preserved as well as the political and military documents have. For instance, during the past year I have made a particular appeal through the press to the people of New York State to preserve and report all business records relating to the early history of the state to my office.

The results have been surprisingly disappointing. The old account books and business records have pretty much disappeared, simply because there have been in the past no agencies interested enough in this phase of our life to urge the importance of their preservation.

If Mr. Kent will make an examination of some of our latest text books on American history, I believe that he will find a good deal more attention devoted to industrial problems than he now suspects.

Historians in general agree with me that history is something more than "booming guns" and are trying to reclaim our industrial history.

Mrs. Susan M. Dorsey, Superintendent of the Los Angeles City Schools, offered this comment:

Historians, as a matter of fact, have been writing the story of business in writing the story of war, since wars have been largely the result of efforts on the part of human beings to improve their own business at the expense of other human beings.

Fault of Histories in Writers

J. C. WRIGHT, Director of the Federal Board for Vocational Education, thinks the faults Mr. Kent pointed out are in part due to the limitations of the writers of text books:

The industries in Pittsburgh, the development of citrus fruit in California, Florida and Southern Texas, the decadence of ranching in the Western States, and the introduction of

improved herds, are all matters with which this writer of text books is unfamiliar. He has, so to speak, been a "shut-in."

On the other hand, historical facts as he knows them have been made matters of common record, and custom has decreed that they shall be handed down from generation to generation.

The newspaper comment bulks too large to quote at any length, but one from the *New York Sun* may serve as a sample:

Mr. Kent's indictment holds good for most of the old "standard" histories. They were deficient in two important respects, neglecting not only the effect of business but the study of the social life of the people itself. But if Mr. Kent thinks that the school histories of today neglect business, he has not been reading them. And it is the school histories, after all, that count. The grown-up business man is a tired business man in his reading. If he is in the cast-iron business, he would fall asleep over a chapter on "The Rise of the Rubber Boot Industry" or "The Romance of Peanut Growing." He would rather live over again the ride of Paul Revere or charge with Pickett in the Bloody Angle. His not to reason why.

Left to Schoolboy's Reason

BUT the schoolboy, the business man of 1940, has to reason why. The writers of up-to-date histories explain to him that Columbus set out for Asia in the interest of the big European silk and perfume men; that the Whisky Insurrection grew out of the strictly business notions of the Pennsylvania farmers; that the Embargo Act was repealed at the instance of New England business; that the War of 1812 grew out of injury to American business; that one invention, the cotton gin, led to the increase of slavery, and that another invention, the McCormick reaper, did as much as any general to help the North win the Civil War.

There's lots of business in the school histories written nowadays.

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[FOUR-PLY SIDEWALL for balloon tire flexibility]

The same development engineers, who made INDIA the most favorably talked about heavy duty tire in America and produced the True-Blue (HEAT-PROOF) Inner Tube have also designed a Balloon tire of unusual merit.

An INDIA patented principle—the six-ply tread with four-ply sidewall—gives INDIA balloons the long wear and freedom from puncture of high-pressure cords with the flexibility and other advantages of balloons.

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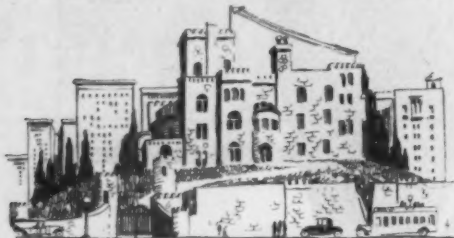
What England Really Thinks of Us and Our Business Methods She Prints in Her Reviews. Here Are a Few Examples, Pertinent and Otherwise

By RAYMOND C. WILLOUGHBY

ENACTMENT of Sir Henry Slessor's bill to prevent the uprooting and exportation of "old, rare and beautiful British houses would

Houses Won't Go Gadding If This Bill Passes further national losses such as the deportation of Warwick Priory and Agecroft Hall," and would also "save some Americans from making foolish use of their spare money," contends the *Manchester Guardian Weekly*. Of the harmony of house and landscape, the *Guardian* says:

A house built to be snug in spite of the wet winter mists of an East Lancashire river valley or of the Cotswold hills has no business in the State of New York or in Virginia. There it must become in some degree, functionless



and absurd, like the Swiss chalets which a few thoughtless enthusiasts used to build in England because their models had looked beautiful and purposeful in the Alps. . . .

ALTHOUGH THE Board of Trade, the London County Council, and the Federation of British Industries have wrestled valiantly

Faint Flicker of Hope for British Films

with the demons which the British film industry seems accursed, the "interminable discussions, resolutions, and deputations of the first few months have had little result so far, and in the meantime the American film holds sway," reports the *London Spectator*. The publicity given to the discussions has directed the attention of American producers to the possibility of restrictive measures in Great Britain, the editor believes, and for this reason he explains that:

A friend of mine, an Englishman living in America, who is prominently connected with the industry, informed me that his company was willing to produce a series of pictures over here or build an up-to-date studio in England, but had received little encouragement.

And then the editor declares that:

American film technique is unquestionably better than ours. Surely we should be well advised to invite the leading American companies to help us to organize British film producing on more efficient lines. If the shortest road to prosperity is to call in American capital and American brains, national pride should not be permitted to interfere.

While the British movie exhibitors are urged to dilute the Americanism of their shows and encourage domestic production by the adoption of a voluntary quota system, Miss Lena Ashwell pleads for restoration of the old-time theaters to popular favor—a

recommendation which moves the *Manchester Guardian Weekly* to say that:

In its victorious progress the film has destroyed theaters by the score. . . . It is true that these theaters seldom presented the highest art. Their mainstay was the melodrama, now an almost extinct dramatic form. . . . The animation of those homely performances has yielded to the cold, silent flicker of light on a screen; the English view of life as seen, rather bleared perhaps, through a gush of sentiment salted with humor, is replaced by a view more seriously distorted by the sickly, neurotic eyes of Hollywood.

PEOPLE in England are joking about "New York Avenue," because out of the seven London theaters in Shaftesbury Avenue, "six

Actors Exported to Pay for Plays Imported

are giving American plays and all of them are successful," but that fact should not be taken to mean that the American conquest of London's theaters is complete, argues the *Manchester Guardian Weekly*, which contends that the Shubert invasion has been "a mere foray with a quick retreat, and it is quite an accident that the American plays have found themselves in the same street whose name happens to be used as a synonym for theater land." In this situation there is the consoling circumstance that:

Meanwhile we are paying for our imports with exports. We take the play and send away the player. New York seems to be very eager to acquire and to retain our young English actors, who by making the trip can multiply their salaries by four while they only multiply their expenses by two. People are saying that it is becoming difficult to cast our plays as well as they should be done because so many of our young men are being attracted to America.

THE FIRST all-steel coaches put in service on an English main line railway move a member of the *Spectator's* staff to declare

Toot! Toot! British Lines Have No Bumps

that "although the coaches were all third class . . . they are more comfortable to travel in than any of the luxurious 'limited' expresses of North America, such as the Dixie Flyer or Twentieth Century." To him further progress in the art of car building seems rather vain, perhaps even profane and presumptuous, for he writes "indeed, if these are the third-class coaches, it is difficult to conceive what the London Midland and Scottish propose to do to make rich men more comfortable."

To read this traveler's tale is to believe that a railroad journey in America is just one bump after another, a sort of shock-absorbing pilgrim's progress, a hard penance on purse and patience. But in England "nothing of the sort occurs," and to the *Spectator*—

It is certainly satisfactory to be able to say that we are "a jump ahead" of the Americans in railway construction. The reason is simple: the Americans with their broader gauge and heavier engines have not had to consider weight as we

have had to do. Their express trains weigh 900 tons, whereas the one we traveled in was only 300 and ran more smoothly and traveled faster in consequence. The great weight of American coaches makes an automatic coupler necessary, which is the joy of the railwayman's heart but a curse to the sensitive traveler. For these automatic couplers have a habit of making each stop and start into a miniature railway collision. One lies dreaming in one's berth as the train speeds down the left bank of the Hudson; suddenly there is a screech of steel on steel and a terrific bump—no, it isn't an accident, but only the train coming to a standstill. Presently one dreams that another express has run into the rear of the train—but it is merely the 300-ton engine taking a long pull and a strong pull at the couplings, to get us into New York for breakfast.

ORGANIZATION of "a buccaneer's club" in New York, with "a five-masted barkantine as its sea-going club house," set English

Modern Pirates Back of Hotel Desks. What?

tongues to wagging and English editorial pens to going. Scanning the club craft from afar, the *Manchester Guardian Weekly* reports that:

On the face of it the scheme suggests dirty work on the high seas. On the contrary, not even a little rum running is included in the program. The club's aims are of the mildest—merely the revival "of the arts of building and sailing square rigged ships" and the celebration of the "United States clipper ships formerly supreme upon the seven seas." Still, "the atmosphere of the days of piracy will be preserved aboard the ship." But why bother to go to sea to find it? Unless the New World is very unlike the Old the correct atmosphere will be found much more easily at certain inns and places where they eat. The pirate of today lives behind an hotel register.

AFTER REGARDING Dr. Joseph Collins' exhibition of "Childish Americans" in *Harper's* magazine, the "untraveled European must

Now It Can Be Told—We've Never Grown Up

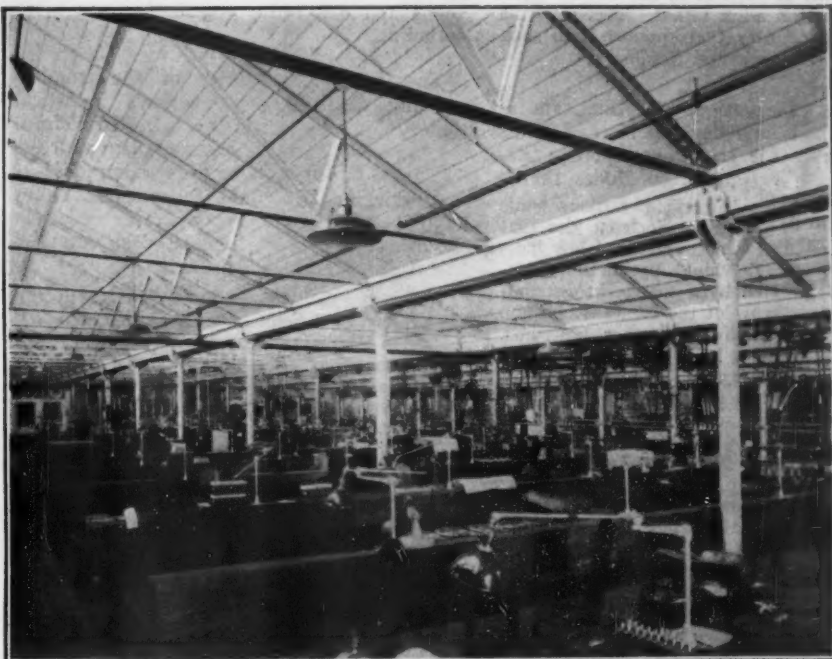
revise his idea that Americans are thin-skinned," says the *London Review of Reviews*. Citing the doctor's discovery that "we are a nation of adult infants," the *Review* reports that

This is what most Europeans have thought for a couple of generations but have never dared to



break polite conventions by saying it, certainly not in the uncompromising terms chosen by Dr. Collins and published by his editor. Then there is another writer in the same number actually asking "Is Big Business a Career?" and answering "No." Obviously the U. S. A. is in-

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dulging in considerable self-examination. This is a favorable sign showing that she really is developing and reaching the stage when even Dr. Collins will be content to call her an adult merely and not an adult infant. There is little wrong with a country that supports two such magazines as *Harper's* and *Scribner's*.

FROM HIS observations on American industrial methods and developments, J. Ellis Barker, writing for the *Contemporary Review*, concludes that—

Henry Ford a Better Teacher Than Karl Marx

American workers smile at the Socialist idea that in countries of low individual production prosperity may be created by a change in distribution, by the overthrow of the capitalist system, by higher wages, or by any other nostrums. The American workers have become convinced that high consumption is impossible unless there is high production. Hence, labor and capital vie with one another to increase efficiency and output instead of hampering and fighting one another. The cheapening of British goods is a matter of life and death to our industries and the workers engaged in them. Wages are the principal item in the cost of all goods. British goods can be cheapened far more easily by bringing down the cost of labor than by lowering wages, for high wages and low labor costs may go hand in hand. That is shown by the United States. . . .

America has taught the world a valuable lesson. Henry Ford is a better teacher than Karl Marx.

FRANK AND ungrudging approval of America's business methods and her philosophy of industrialism is revealed in a professional sort of essay

Our Telephones And Millionaires Excel, He Says

by F. C. C. Yeats-Brown in the *Spectator*. His irreverent appeal that England snap into American ways proceeds from no particular love of America, but on returning to England he finds an unpleasant contrast in the beggary and lethargy on every hand. And when he tried to telephone a friend in London about an opportunity to market a kettle, the operator "got the message wrong and left me in the air," but—

How different the circumstances in America! Had an American called up a domestic exhibition as follows: "Listen, there's a man here who wants to get in touch with Mr. So and So, the inventor of a patent kettle—could you locate him right away? His stall is in the gallery." Would he have found his man? "Sure, I'll find him and call you again," would have been the reply.

Of those "half-dead persons whom one may see from the top of a bus, sitting in the clubs, reading their newspapers" he reports that "the same baldpates behind the same plate glass windows may be seen in Fifth Avenue," but—

In America nobody pays any attention to them, not at any rate until they have made several million dollars. Here, they are respected and even help to form public opinion. Personally, I think a capacity to earn money whether at the bar or in business should be a serious qualification for participation in public affairs, not the only one, of course, but perhaps the chief. It is a coarse test, but where is there a better?

Despite the regret with which flaws and defects of the English order are catalogued, there is an obvious enthusiasm for the American plan, in the confession that—

I would like to see English boys paying their way through a university by being waiters in their spare time—as two American friends of mine did—and more men determined to be millionaires before they die. "But money isn't

everything." It is so easy to say that and so cheap, so like a faded grandee.

We require in England a broadening horizon for both sexes, a liberation of ambition for young and old, better organization and more optimism.

FRESH ADVERTISEMENT of the wonder-working qualities of America's industrial philosophy was made by Mr. Brailsford, Socialist, when address-

Praise From a Socialist Is Praise Indeed the Independent Labor Party conference in London. As quoted by the *Sphere* recently, he said:

It is possible that the better brains in the capitalist world may grope toward a policy which in the material sense would render its system tolerable. It is possible with American technique to raise the level of life, to abolish gross poverty, and even to cope with unemployment. We dare not postpone the struggle.

BEWAILING the lack of a healthy spirit of national pride in Britain, a Rotarian discussing "Rotary and Patriotism" in the London

America the Land of the Megalomaniac

Review of Reviews by way of contrast tells of the ardent nationalism of some Rotarians from the United States—"good, hearty, jolly fellows, with the bodies of men, but with the spirit of sand-boys." He was in their company for a time, he explains, and when the conversation turned to patriotism—

From the Americans came an amazing flow of statistics and figures about "God's Own Country" and "Little Old New York"—figures of height, and breadth, and depth, and riches colossal—of the greatest opera house in the world about to be erected, and the daily output of cars from the Ford factory, and the remarkable rise of President Coolidge from obscurity to world fame, and so forth and so on—a narrative that left one breathless at its childlike interest in the colossal just because it is colossal.

The American—like the ancient Egyptian who built the pyramid of Ghizeh as a tomb—loathes the minute and microscopic. Had he been the Creator, men would have been giants, the trees would have overshadowed the Eiffel tower, the mammoth and brontosaurus would have been domestic animals.

AFTER READING the review of "The Raven on the Skyscraper," by "J. O. P. B." in the *English Review*, it is reasonable to conclude that Mr. and Mrs.

This Bird Might Be Just a Spot On the Lens

King, the authors of the book, came to America to scoff and only Americans remain to pray. As the authors see it, all is not for the best in the republic, though they do struggle to contemplate our civilization more in sorrow than in anger, for they dedicate their work "with sympathy and admiration to the Dying Race of Real Americans."

If it be true that the tale they set out to tell was "mostly gathered from native sources and carefully verified from personal observation during two years' residence and travel in the United States," then the natives must have been low in their minds when they qualified as character witnesses. From the evidence so obtained, the authors read our ill-fame and fortune—"in some aspects, American civilization today represents a slow destruction of mental, moral and physical fiber."

So blue is this appraisal of "modern American portents" that the reviewer suspects it may not be true blue, and registers

his doubt with saying "we fancy we have heard something of the same kind nearer home." Certainly the book is likely to be convincing or pleasant only to those who believe that all sweeping judgments are just, and that there is no soul of goodness in things evil. It may be, as "J. O. P. B." suggests, that the authors took the American plan too seriously, for he writes "it surely has got their goat"—an opinion which tends to revive faith that, after all, the English do have a sense of humor.

HARD NAMES and hard words for America flow from an editorial on "The Good Samaritan" in the *English Review*. "Nine years

The Symptoms of a Bad Case of Pocket Nerves

after the last ship carrying American supplies to our enemies was intercepted, according to the historic rules of war," the *Review* declares, "the American government proposes to claim from us the profits which her nationals hoped to realize upon such contraband cargoes," and to the editor's way of thinking, that proposal—

Out-Shylocks Shylock. It is more nauseous in view of the insufferable assumption of moral superiority which characterizes the American attitude toward Europe; and the canting insinuation that, since European resources are destined to be devoted sooner or later to another war, they had better be transferred for a few generations to God's own country, which alone can be trusted to enjoy them and put them out to usury.

* * *

We have not criticised the settlement of our debt to America. It preserved our dignity at a high price in cash for which America sold hers. We have, however, been culpably weak in our concessions to America at the Washington naval conference and in China. It is incredible that we shall submit to any further blackmail by this international bully. There is an old saying that it takes two to make a bargain. Our statesmen will do well to remember that it takes two gentlemen to make a "gentlemen's agreement."

It's A SOUR saxophone that blows nobody good, seems to say the *Sketch* in counting up the benefits to British musicians from the visit of Paul Whiteman and his jazz band, for the *Sketch* is sure that:

Whiteman's Jazz Starts Boom in Dance Business

Mr. Whiteman has helped British musicians. His first visit to England gave a fillip to dancing generally and to capable dance orchestras. Many excellent musicians, who before the Whiteman visit were earning £3 to £4 per week playing in music halls and theaters are now drawing £20 to £30 a week in purely British dance orchestras.

A LIBERAL valuation of some of the by-products of American life is presented in a letter to the editor of the London *Spectator*. Says this writer,

A Nation Known By Its Garbage and Ash Cans

who signs himself "X. Y. Z.": Would it not be in the interest of economy to bring to the attention of the town and rural county councillors the possibilities of saving by making the collectors of the refuse pay for the privilege of collecting instead of the cost falling on the rate payers? In the U. S. A. . . . each householder is obliged to have one can for dust and ashes, one for food refuse and one for waste paper . . . the bidding is keen for the privilege and large sums are made by the contractors and the sum they pay is clearly gain to the town.

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Sidelights on a "Jingle Contest"

IF AN EDITOR would find out how many poets are numbered among his readers, he should try a "jingle contest."

We had a difficult task before us when we set out to choose the winners in the recent contest conducted by NATION'S BUSINESS. Interest in the contest was shown by foreign readers as well as by Americans. Jingles came from Holland and Canada, and from 34 states in the Union, and the District of Columbia. All told, we received 1,093 jingles from 208 contributors.

But, while it was a difficult task, it was a pleasant one, and we found a lot of human interest in the jingles and in the comments which accompanied them. The contest is over, and the winners have been announced, but we'd like to pass on to our readers who were interested in the contest some of the jingles which did not win prizes.

The letter "M" was a popular one; and we're probably conservative in our estimate that about 75 per cent of the jingles for that letter started

M is for Money.

Four for that letter that we thought were good are given here:

M is for Merger

A far-reaching plan,
If mayhap the venture
"Scape government ban.

M is for Markets

That have up^s and down^s

Many Jackies and Jills
Are nursing cracked crowns.

M is for Money,

A god or a devil,
Depending on whether
We work hard or revel.

M is for Money,

The curse of all things;
Few mind being cursed
When they think what it brings.

Mr. Volstead and Prohibition came in for their share of comment and criticism, and Taxes and Tariff were prominent in the jingles for the letter "T."

V is for Volstead

Who meant very well.
Good intentions, we've heard,
Form the pavement to —.

Q is for Question

Proclaimed loud and clear.
Shall we have Prohibition?
Or light wines and beer?

U stands for U. S.,

Now grinding our axes
Against prohibition
And payment of taxes.

T is for Taxes,

We pay with a groan;
They eat up the meat,
And we gnaw on the bone.

T is for Tariff,

Both parties discuss it;
Republicans make it,
Democrats "cuss" it!

T is for Taxes,

The business man's bane,
But thankful let's be,
They've been lowered again.

Jingles came in from presidents of large

companies, storekeepers in small towns, stenographers, housekeepers, secretaries of local chambers of commerce, farmers, writers, school teachers, lawyers, bankers, salesmen, and even from small boys and girls. We received two from a lad ten years old, who discovered our "Business Man's Primer" when looking through his father's copy of NATION'S BUSINESS. While the metre in this one isn't quite right, we feel that the verse is worthy of mention:

W is for Wall Street,

Where the lambs plant iron men
Hoping to reap a dollar crop;
But they never get 'em again.

The same is true of the following verse, submitted by a little girl twelve years old, in the seventh grade at school:

M is for Management,

Which the successful man knows:
The success of all business
On its foundations repose.

Among the jingles submitted were several on the subject of business ethics. Two of the best follow:

V is for Value,

Which a business must give
To the fullest degree
If it wishes to live.

R is for Rules,

In the business man's game.
Hit hard, but play fair,
And you earn a good name.

We liked this verse for the letter "N":

N is for News,

To be taken in courses,
Includes all the murders,
The thefts and divorces.

Some of the jingles, we feel certain, were inspired by actual experiences, for only a constant traveler on the subway trains could have written the following verse:

S is for Subway,

A half-inch of space,
A dig in the ribs
And a poke in the face.

And only a business man who had had the experience of having his books examined by an internal revenue agent, and of having to pay more income tax, could have written the following:

A stands for the federal ass

Who came to my store
After I paid a square tax,
And then asked me for more.

B stands for bootlegger,

Which I soon will be
If these U. S. bookkeepers
Don't lay off of me.

C stands for competitors

Who keep not a book
And so pay no taxes
While I get the hook.

Here are three jingles which, while not suitable for a business man's primer, were rather amusing:

M is for Man

Who sprang from a monkey.
Woman improved him,
And made him a donkey.

M is for Moon,

—Light and —shine,
The first a delight,
The second a crime.

O is for Onions,
Eaten in stealth,
A curse to our breath
And a boon to our health.

And there were others that were humorous. One contributor ended his list with:

P is for Punk,
My opinion of these.
If the editor takes them,
He sure is the cheese.

And here are the notes, in rhyme, which accompanied jingles from two of our readers:

J is for Jingles
From this pen o' mine;
May risible tingles
Adjudge them "just fine."

These jingles I hereby submit
For your approbation, to wit.
If you possess any humor,
Send the mazuma
To the address above; don't forget.

There were several tributes in verse to NATION'S BUSINESS. Among them were the following:

N is for NATION'S BUSINESS,
That good magazine.
It's clever and useful
Aggressive and clean.

P is for Primer,
Which every man needs;
And if he is wise,
NATION'S BUSINESS he reads.

And we were pleased to note some of the many comments in prose about NATION'S BUSINESS itself which the contributors made, when they sent in their contributions to the Jingle Contest:

L. James Wathen, of Dallas, Texas: Along with a number of others in this department, I have had the opportunity of reading NATION'S BUSINESS for quite a while. I have appreciated the opportunity.

B. M. Wolberg, New York, N. Y.: Your Map of the Nation's Business has a particular appeal for me, and it has been quite an advantage in figuring out sales and distribution of my company's product.

Kreider E. Kurtz, Mifflinburg, Pa.: NATION'S BUSINESS has become indispensable to us.

Miss Jane Jenkins, Chicago, Ill.: My employer receives NATION'S BUSINESS every month, and I have been reading it since I have been working here.

Miss E. S. Lember, Philadelphia, Pa.: I get a great deal of pleasure and satisfaction from reading NATION'S BUSINESS, and quite a kick from the jingles.

F. R. Gardner, Washington, D. C.: I am not a subscriber, but I read each issue of NATION'S BUSINESS with much interest.

G. M. Abbott, Bloomfield, N. J.: I've had a lot of fun out of the jingles that have been appearing, and think that the page has been a rather catchy addition to your magazine. What I think of the magazine as a whole is shown by the fact that I am enjoying my fifth year's subscription.

R. C. Dimond, Fonda, N. Y.: Permit me to say that I appreciate your paper more with the receipt of each issue.

E. L. Dodson, Covington, Ky.: An evening dedicated to the perusal of the March NATION'S BUSINESS found me at page 31 when it was time to retire, but the fascination of the jingle contest took an hour off of the allotted eight for slumber.

—A. M. CHAFFEE.

Florida's Call to Capital

*A*MERICA'S greatest financiers have invested in Florida. The state's call to capital for permanent business is stronger than ever. Men of vision and means should investigate her resources and opportunities.

Agriculture

Millions of acres of uncleared agricultural lands are calling for developers.

Last year 280,000 acres of Florida lands produced 94,000 cars of fruits and vegetables for export above domestic consumption.

Consumers are paying \$200,000,000 annually for soil products of Florida.

Geographical Advantages

Florida is within 10 to 50 hours of 80% of the population of the United States; only 32 hours of St. Louis, 33 hours of Chicago, 24 hours of Cincinnati, 26 hours of New York, 32 hours of Boston.

Nearness to Foreign Markets

Trade between North and South America is rapidly increasing. The United States sells to South America a million dollars' worth of merchandise per day, and buys from them more than one and a quarter million dollars' worth per day.

Florida lies in the direct pathway between these two Continents, and here are the logical ports for the exchange of these commodities. Already these ports lead in tonnage between Newport News and Mobile.

Transportation

Florida's railroad mileage is 5,163.

Florida has 6,438 miles of surfaced public roads.

Florida has under construction 1,281 miles of State highways.

Florida's State Highway Fund for 1926 is \$14,000,000.

Florida's 67 counties have a much larger road program under way.

Manufacture

The value of the annual output of Florida factories is \$180,000,000. Florida climate cannot be transported to the North, therefore industries are being built in the "Playground of the World."

Florida's principal manufactured products, aggregating \$180,000,000, are:

| | Per cent |
|---------------------------------|----------|
| Lumber and forest products..... | 31.4 |
| Tobacco manufacture..... | 16.6 |
| Turpentine and rosin..... | 15.8 |
| Ship building..... | 15.0 |
| Fertilizers..... | 5.1 |

Florida can also supply the materials for the following manufactures:

| | | |
|-----------|--------------|----------------|
| Tile | Insulation | Cotton Goods |
| Filters | materials | Vegetable hair |
| Paper | Commercial | Fish products: |
| Roofing | feeds | Oil |
| Cement | Canned goods | Fertilizer |
| Furniture | Creamery | Buttons |
| Porcelain | products | Leather |
| Glassware | Acid | Awnings |
| Chinaware | phosphate | Tents |

Health and Efficiency

Captains of industry recognize the vital relation of health to efficiency of labor. The cost of operation of factories is based on the efficiency of the worker and the cost of living.

Florida offers a greater variety of food products grown continuously through the year than any other State. Housing, heating, and clothing expenses are less here than in cold climates.

Artificial heating does not require the cutting off of ventilation.

Stepping from factory into the open air produces no shock to the worker.

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A British Move Toward Socialism

England Tackles Her Farm Problem with a Gigantic Plan for Nationalizing Land

By P. W. WILSON

Former Member British Parliament

ONE OF these days, a startled world will wake up to the fact that Great Britain, in her steady drift toward Socialism, is going so far as to nationalize her land. A proposal, so unusual as this outside of Russia, would not be even mentioned in the United States, except by Radicals, yet in London it is discussed, not as Bolshevism, but as one would discuss any other bargain between buyer and seller. To practical, yet hard-pressed people, the question is simply whether the ownership of land is or is not "the nation's business."

The Outcome

WILL it hasten the widely heralded "downfall" of Britain, or will it contribute to her task of economic reconstruction? Will it be the high road to prosperity, or will it be the low road to decadence? Opinions are sharply divided. Here we must leave the merits of the controversy to take care of themselves and merely state the facts of the situation.

In Parliament and the press, the debate is as calm as if the state purchase of land were no more of an economic revolution than a penny on the income tax. The judges themselves, so it is pointed out, have laid it down in legal decisions that, even today, the ultimate owner of land is the state, and that the landlord is no more than a trustee, holding land on conditions.

Indeed, from time immemorial, the Crown has possessed estates of considerable magnitude, which property, since the accession of Queen Victoria, has been managed under the authority of Parliament. The state has, moreover, developed small holdings and schemes of housing, both in town and

country. Also the state owns and manages the post offices, telegraphs, telephones, a savings bank, the broadcasting of radio, and many municipal systems of street cars, elec-

nationalization of their capital could be achieved at any time by a few strokes of the pen. Socialism, then, is approached, not as a dogma, not as heresy, but as a device. Will it work? Won't it work?—these are the only questions.

To the nationalization of land, and, indeed, of all means of production, distribution and exchange the Labor Party has long been committed. Their plan would be simply to buy up the whole country. Farmers and laborers would be turned into civil servants and paid a weekly wage to work the land, exactly as a postman is paid a weekly wage to deliver letters and parcels.

Precisely how Parliament is to keep an eye on pedigreed cattle, rotated crops, litters of pigs, nationalized roosters, and Communist field mice is not specified.

It is enough to say that James Ramsey MacDonald himself knows that such Bolshevism is as unworkable in Britain as it has proved to be in Russia. The farmers and laborers themselves will not look at it.

Not Communist

WHAT, however, does astonish the spectator is the fact that the Conservative Party, representing the rights of property, is flirting with an idea, not carried to the full length of Labor's Socialism, but pointing in that direction. Prime Minister Baldwin is

one of Britain's largest employers and richest men. Until yesterday, his Minister of Agriculture was E. F. D. Wood, himself a landlord, the son and heir to Viscount Halifax. Mr. Wood is now Viceroy-Elect of India, but before his promotion he committed himself to the state control of rural land. The University of Oxford is not usually



THE OPPORTUNIST.

SMALL LIBERAL PARTY. "I'M FEELING A LITTLE FAINT. I COULD DO WITH SOME JAM."
NURSE LLOYD GEORGE (seizing the occasion). "YOU SHALL HAVE SOME JAM; BUT YOU MUST TAKE THIS MEDICINE FIRST."

As "Mr. PUNCH," of London, sees Britain's Communistic land scheme

tric power and lighting. Indeed, the railways themselves are carried on under a regulation of fares, freight-rates, authorization of capital and arrangements for safety that have together rendered private ownership a merely nominal phrase. And as the railways are consolidated into a few systems from which competition is eliminated, the

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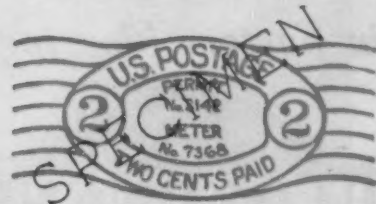
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| 24 Newspapers | |
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| 13 Chemicals, Dyes and Fertilizers | |
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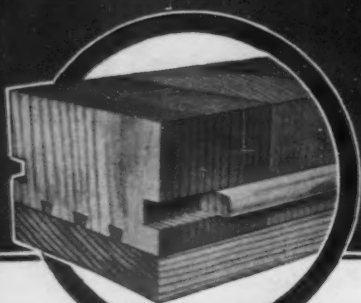
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regarded as a Communist concern. It has established an Institute for Research in Agriculture. And the Director of the Institute, Mr. Orwin, has also declared for state purchase of rural land. He and his colleague, Mr. W. R. Peel, are like Prime Minister Baldwin and Mr. Wood, Conservatives. Yet they would take the land, rearrange it in nationalized estates of say thirty thousand acres, and have those "estates" managed by officials, trained in land agency, precisely as today estates are managed by agents on behalf of the private owner.

The farmer would remain himself. His landlord would become a civil servant.

Last but not least, we have that redoubtable political strategist, David Lloyd George. It will be remembered that in the years before August, 1914, he was busy on a Land Campaign. And after the interruption of war, he resumes this campaign on bolder lines. His hat also is in the ring. And he, like the others, stands for state purchase of rural land.

Exceeds the Domesday Book

HE AND his friends, therefore, have devoted two whole years to the preparation of the most elaborate reports on British land, rural and urban, that have ever been issued, not excluding Domesday Book itself. The propaganda is backed not only by Lloyd George's eloquence and personal prestige but by an ample war chest, which he declines to place at the disposal of the Liberal Party unless that party stands fairly and squarely on his platform.

All these authorities agree, then, that, at a given date, agricultural land, valued, let us say, at five billion dollars or some such sum, shall be transferred to the state. The terms of purchase would be, of course, a matter of discussion. One obvious plan would be to issue national bonds to the landowners in exchange for their vested interest. Lloyd George, however, wishing to avoid the creation of so large a volume of marketable securities, prefers to give the landlord a permanent annuity, equal to his net rental—that is, to his income from the land, after his expenses of management and repairs have been deducted. This is a proposition which, for obvious reasons, commends itself to bankers, who consider that the national credit is already bearing a full burden.

How to fix the price of land, whether as an annuity or as a capital sum, is no simple matter. What is a landlord's "net rent"? The good landlord has reinvested a high percentage of his rents in the soil. Is he to be penalized for his public spirit? And it is laid down by the Lloyd George report that an adequate—i. e., a minimum—wage for the agricultural laborer must be "a first charge" on the farm, which means that, where this wage is deficient, the net rental, as calculated, must be cut to make up the difference.

Again, in a country so densely populated as Britain, much agricultural land is acquiring an urban value. Lloyd George admits that, over a period, say, of twenty to forty years, the retiring landlord shall be entitled to receive whatever sum would today represent the additional building value on his agricultural property—not always an easy matter to estimate. How about Florida?

It is these technicalities that explain why many Conservative landlords want their party to take up nationalization. They remember that it was a Conservative government that carried through land purchase in Ireland. And they look at the matter entirely without sentiment. If land is to be sold

anyway, is it not better to strike a bargain with one's Tory friends than to be plundered by one's Liberal and Labor enemies? Even Lloyd George advocates that drastic device, a land court of compulsory arbitration.

To the landowner, nationalization is not a matter of principle but of price. He keeps his policies in his pocket, where he also keeps his purse. For instance, there are luxury values in land on which he would like to haggle. Let us suppose that an American millionaire, anxious to shoot and hunt, makes him an offer of £100 an acre; is it fair that he should have to sell to the nation for £50 an acre? The topic thus bristles with points for lawyer politicians.

Under a ruthless economic pressure, many landlords, even today, are vanishing from the scene. If Parliament takes no action at all, it is a fair prophecy that, in due course, most of the dukes, the marquises, and the squires, who for nine centuries have dominated the countryside, will be—as in Ireland, in France and in Russia—a mere memory. Under our very eyes, the change is proceeding. Loaded with mortgages, with annuities to his poor relations, and with taxation increased by the war, the landlord is selling not only his pictures and other treasures of art, not only his mansion (see advertisements in newspapers like the *London Times*) but his entire estate. And many a farmer, afraid of dispossession, is purchasing his farm often at a price far higher than its true agricultural value.

Seven years ago, the occupying farmers owned one-tenth of the acreage which they worked. Today they own one-fourth. Estates are thus breaking up day by day, and under the Lloyd George scheme the tendency would be merely regularized and accelerated. The landlords, now selling their property piecemeal, would be left with the ancestral mansion, the park, the home farm and a national annuity.

Here it will be contended that if the estates are thus, as it were, falling apart by their own weight, there is no reason why Parliament should interfere. Why not let well enough alone? The landlord is going anyway—let him go! This is, of course, the view even today of the *laissez-faire* or Manchester school of economics. It may be the right view. But what I have to do is to state the reasons why, in Britain, it has been abandoned.

Break-down of Agriculture

TO BEGIN with, there is a general agreement that agriculture, the nation's fundamental industry, has broken down. Britain has excellent land, situated in close proximity to great markets for food, yet with 1,300,000 persons unemployed, her countryside is in a large measure deserted. If her soil, acre for acre, supported as many workers as soil in Denmark, it would absorb 750,000 home-emigrants. If Germany were the standard, there would be in Britain another 1,500,000 workers on the soil. And, on the scale of Belgium, the capacity would be an addition of 2,000,000. With a population of 43,000,000, the nation is only producing food for 15,000,000. And, with the balance of trade heavily burdened by the maintenance of a gold standard, by the payments to the United States and by difficulties over exports of coal and metal, Britain is importing food, year by year, to the value of about two billion dollars.

How to save agriculture—that is, therefore, the problem. There are economists who tell Britain that her trouble is due to supply and demand and that nothing can



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"The placing of orders is a cold-blooded proposition with us

and we have never given work to our Multigraph department simply to keep it busy. If it couldn't be done at a less cost than it could be purchased for outside, we had no hesitancy from purchasing outside."

In regard to *high speed, quantity production*, Mr. Snow states other facts of interest:

"Our production on the machine, which is equipped with the Davidson feeder, runs between eight hundred thousand and a million impressions a month. We have gotten as many as one million, seventeen thousand."

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be done to ease it. On the land, they say, you can certainly support a larger population, as in Denmark, Germany and Holland, but you can only support those people in comparative poverty. As long as high wages are paid in cities, villages will be deserted.

Another group replies, "Yes, of course, agriculture is ruined. And for a simple reason. We have free trade. How can a country like Britain, small in area and crowded with people, compete on equal terms with Canada and her virgin west and with the illimitable horizons of the United States?" To this plea for protection, however plausible it be, there is one final rejoinder. As Lloyd George, no stickler for Cobden, has pointed out, it is politically impossible.

In the United States, even today, there is much land still available for use and occupation. The full use of land is not yet an urgent necessity. But in Britain, every square inch now matters or should be made to matter. And over millions of acres, needing drainage which private enterprise will not undertake, the case for action by the state is growing in favor. Again, there are 7,000,000 acres that ought to be afforested, as in Germany. Yet—so it is argued—private enterprise cannot lock up capital for fifty years or even twenty years while the

wood grows. New forests must be planted by the state, if at all.

Farms also are in dire need of cheap capital, and the landlords have, by general admission, no capital available. Even the farmers who have bought their holdings, and are thus independent of the landlord, have exhausted their last penny of credit on purchase, often at a fancy price. If, then, capital is to be forthcoming at all, whether for afforestation, for drainage or for farms now in occupation, its source—so it is argued—must be the state.

Owning the land, so it is contended, the state could provide what is called "a ladder" of opportunity for 800,000 agricultural laborers in Britain who at present have no chance in most cases of getting any land at all. The idea is that farms, falling vacant, could be broken up into holdings of various areas—50, 100, 200 acres—fully equipped with buildings and implements. The laborer of initiative would thus acquire a small farm and work his way to economic independence. There would be a revival of the yeoman class, which, with the development of the towns, has so grievously dwindled in numbers and importance.

That, in general terms, is the basis of the Land Campaign.

To Save, or Not to Save?

THE SUBJECT of the fifth annual contest that Alvan T. Simonds, president of the Simonds Saw and Steel Company, is conducting is "Saving and Spending as Factors in Prosperity. With special reference to the effect of Simplified Practice and the Elimination of Waste on the Standard of Living."

The aim of these contests is to arouse a more general interest in the subject of economics, as related to individual and general welfare; and to increase general economic intelligence and a knowledge of what genuine thrift is. By genuine thrift is meant thrift that increases individual and general welfare.

The prizes that are offered total \$1,500; of which \$1,000 goes to the best essay and \$250 to each of the two second best. The first prize essay must consist of the two parts outlined later. The two second prizes go to the best essay submitted dealing either with part one or part two. Both of the second prizes may go to the same individual, one prize for each part.

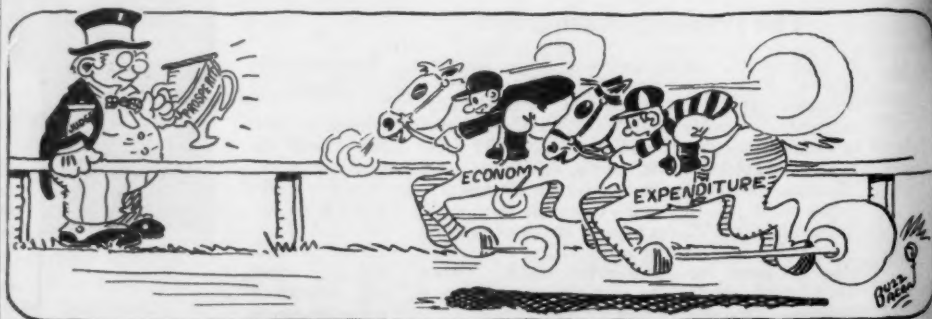
The first part must deal with the economic theory of saving and spending and set up a thesis fitted to present conditions in the United States; the second part must apply this theory to Simplified Practice and the Elimination of Waste. These two units must be developed so that either may be

used as an entity in itself, and must be written in a popular style.

The theory that spending in any old way is a means to increase general prosperity should be discussed and confuted. Hobson's theory that corporations are saving too large a proportion of their earnings and putting them back into the business should be presented and debated. Part one should, in fact, set up and demonstrate if possible a thesis as to the proper relationship between spending and saving to produce the greatest prosperity in the United States.

Each part should be at least 3,000 words in length, but should not be more than 5,000. Contestants may submit both parts or either alone. If the second part is submitted alone, then a thesis must be assumed to apply to part two. The essay must be written in English, typewritten preferably, on but one side of the paper. An assumed name should be written at the top of each page. An envelope with the assumed name on the outside and containing the real name and address should accompany the manuscript. The essays must be original and not previously published.

All communications should be addressed to the Contest Editor, Simonds Saw and Steel Company, 470 Main Street, Fitchburg, Massachusetts. Essays should reach him on or before December 31, 1926.



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In the form of Norton Floors Alundum abrasive enters directly into the building itself. Alundum Tiles, Treads and Aggregates have made available to architects a walking surface that is permanently slip-proof and wear-resisting. The various types of Norton Floors make it possible to select one that is suitable for any class of building construction.

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Congress and Its Undone Jobs

By WILLARD M. KIPLINGER

THE unfinished business of Congress at the end of this first session becomes the grist for the second regular session which opens next December 6 and closes March 3. Each pending bill holds its status until then.

Membership and organization of both houses will be the same as now, for it is a continuation of the Sixty-ninth Congress. It will be the biennial "lame duck" session which a pending proposal for constitutional amendment seeks to abolish. It will include those Congressmen and Senators who are not reelected at the general elections next November, and the Congress constituted then will not meet until December, 1927, for the important issue-making session preceding the presidential battle of 1928, unless a special session is called next year.

It is important to recognize now that the next meeting of Congress will be the "short session." There will be only two weeks of effective work in December, and then only January and February will remain—really only eleven weeks—and much of the meager time will be consumed with appropriation bills.

This means that a large proportion of bills which failed to get final action at this session will also meet the same fate next year.

Some of the most active issues before the next session so far as business is concerned, will be these:

Prohibition, an economic as well as a social and moral question.

Railroad consolidation, and several other important railroad measures.

Flexible tariff procedure, but not any general revision of rates.

Probably agriculture.

Perhaps French debt. (This article is written before adjournment, when the final action on agricultural relief and French debt is uncertain).

Postal rates.

Claims growing out of alien property and American war losses.

Coal legislation.

Administration of government merchant ships. Muscle Shoals and Boulder Canyon Dam.

Further tax reduction will not be an issue, in my opinion. This will not come until 1928, and it is not yet safe to count on it then.

There you have a big schedule for the forthcoming short session, and it will keep Congress humping. Even some of the major issues listed above will not be disposed of, but will hang over until 1928. At the same time, however, many measures of less general interest but of great importance to certain business groups will slide through. During this session Congress has done an unusually large amount of committee work in the form of hearings, redrafting of bills, and reporting of these to calendars of the houses, ready for debate and vote at the next session.

The "big guns" in the next session will be the steering committees of the two houses. They will pick and choose the favored bills to be brought up, and woe be unto any measure which does not commend the active interest of these supermanagers. Their smiles will be worth thrice more than usual.

Turning to the session just closing, several points stand out:

The administration's ideas about legislation

have been fairly well carried out on major issues, despite a considerable amount of independent voting among both Republicans and Democrats. Mr. Coolidge has driven with loose reins, except on appropriations outside the regular government budget, and there he yanked the check rein. It has been distinctly a conservative Congress.

Agriculture has really come to the fore.

Prohibition has detonated with a bang—noise, but nothing else, so far.

Congressional investigations of this-and-that have been of normal amount and most have had constructive value. At the very least, they have provided for blowing off steam from the pressure boilers of public opinion and this is a worth-while thing in our system of democratic government, too much criticized as "waste of taxpayers' money," too little appreciated as the frequent substitute for violent legislation.

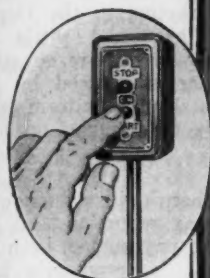
The legislative jam in the Senate toward the close of this session, forcing the postponement of many important questions, is no worse than in most preceding sessions in recent years. The abnormality in this regard has become normal. If proponents of measures would use their memories more, they would work harder for their projects in the early days of a session, when pressure is less. Warning along this line was sounded in some of the earlier articles of this series months ago.

The biggest accomplishments of Congress since it convened last December are these: Ratification of the World Court. Tax reduction.

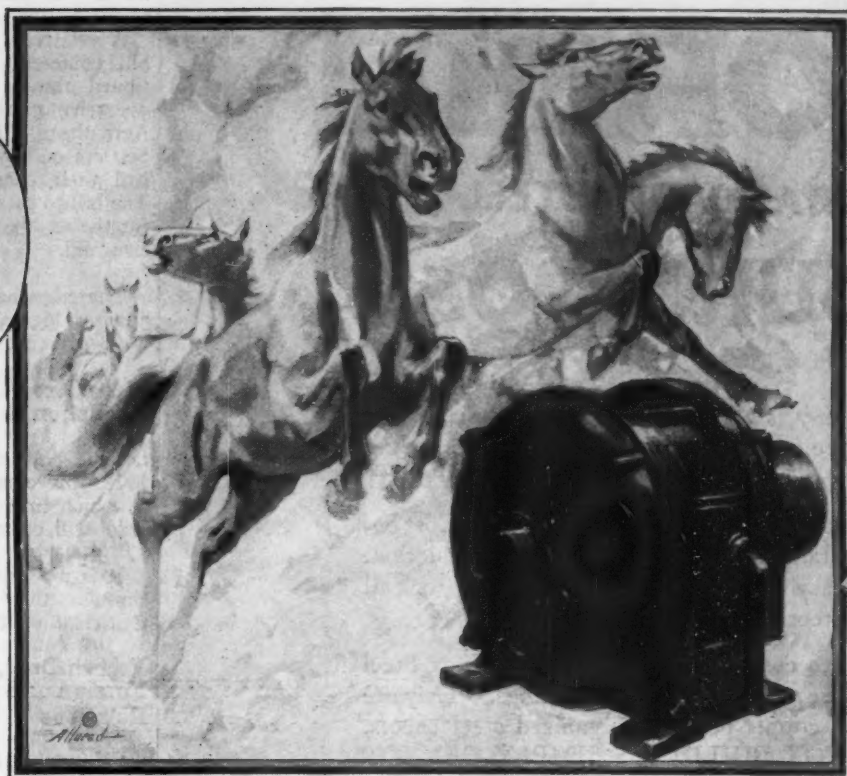
Approval of the war debt settlements of Italy, Belgium and other nations. The railroad labor law. The commercial aircraft law. A public buildings program for the next six years. Bankruptcy reform. Relief for reclamation settlers. Provision for purchase of American embassies and similar national buildings abroad.

The principal measures hanging fire on the day this is written, June 10, are these: the McFadden branch banking bill, including the provision for continuing the life of the federal reserve banks beyond 1935. Ratification of the French debt settlement by the Senate; it has already been approved by the House. Agricultural relief, with indications that it is headed for deadlock. Radio regulation, which passed the House and hung up in the Senate. A public road building program for 1928 and 1929. Increase of judges' salaries. Refunding of government war-time loans to railroads. Ratification of the Turkish commercial treaty.

The House defeated the Haugen plan for equalization fees and government participation in the disposal of surpluses, and then the Senate wrestled with the same plan. The notable feature of the whole fight has been a determination to do something, and an utter lack of agreement on what to do. Many members publicly supported either the Haugen or the Tincher plans, and privately expressed doubts concerning the merit of either. It has been the greatest legislative quandary of a decade, and still offers a great opportunity for industrial and trade interests to get together with agriculture outside the halls of Congress and, first, determine what the ills of a depressed agriculture are, then, second, agree on a remedy. Congress is and will be ready to legislate any plan on which



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Economists agree that wages must be maintained for the prosperity America now enjoys. The improved standard of living which has resulted from higher wages has been responsible in the main for the greater sale of every manufactured product.

The success of your plant hinges on the return you are able to obtain from this increased investment in labor—it hinges on the elimination of wasted time in production.

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Put the control of your motors at the hand of the operator where no time is lost. Eliminate the confusion, the wasted steps of obsolete equipment. Somebody must discover this in *your* plant. Why not call in these engineers today? They will counsel with your plant men or consulting engineers without charge—and the control equipment they recommend quickly pays for itself.

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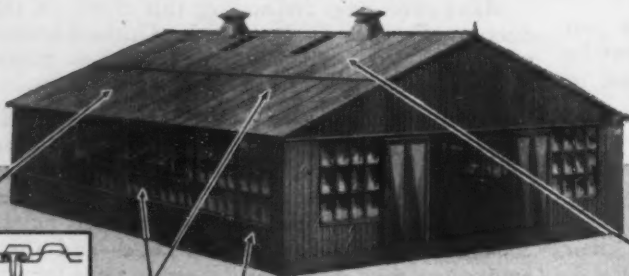
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these groups come to any sort of an agreement. It seems to me the only way of really getting anything done in this case.

A relatively simple measure, the Haugen bill (different from the Haugen plan mentioned above) to create a division of co-operative marketing in the Department of Agriculture, has had little opposition. Settlers on government reclamation projects had their charges reduced by a new law. The bill to establish a uniform grazing policy for the west got all tangled up in the legislative mill.

There has been quite a flurry of talk about another big tax reduction next year. This is 90 per cent improbable, both because the government's finances will not stand it so soon after

More Tax Reduction

this year's reduction, and because if there is to be a tax cut, politicians of both parties want it in 1928, preceding the presidential elections, at which time both Republicans and Democrats will claim the credit.

It is nip and tuck to get the French debt through the Senate before adjournment. Criticism of the settlement in the French

French Debt, Foreign Relations

House of Deputies has not helped our own Senate sentiment. The most common Washington opinion as this is written is that it will get through. I doubt it.

If the Turkish commercial treaty comes to vote, I think it will be approved by a very close margin. The Greek government is seeking payment of \$28,000,000 balance on a war-loan commitment, and Mr. Mellon has referred the matter to Congress, where the proposal meets some favor. My guess, however, is that the Greeks have not the slightest chance of getting the money.

The bill to legalize the foreign service of the Department of Commerce had little opposition, but got blocked on the Senate calendar; there is a fair chance of enactment before adjournment.

Foreign Trade

If the McFadden branch-banking bill is passed, as I expect, and contains the provision for rechartering of federal reserve

Banking

banks, then this latter feature represents one of the half dozen most significant policy decisions of the present session. Six months ago very few thought this action would be taken so soon. As this is written, passage of the bill is endangered by controversy in conference over the Hull amendments, desired by Illinois bankers, but I foresee later compromise on these.

Reformation of the bankruptcy system was effected. The federal blue sky bill has been dormant, and probably will remain so next session.

The Senate investigation of the Tariff Commission has shown clumsy administration of the flexible tariff within the Commission, and some attempt by the President to influence action.

Tariff

Democrats will make capital of the disclosures in the fall election campaigns. The flexible tariff is certain to be the subject of legislation next session, involving proposed changes in formulae for determining differences in cost of production of commodities here and abroad, more expeditious methods of making investigations and perhaps rules for determining the fitness

for appointment of Tariff Commission members.

There will also be this question: Should the Tariff Commission report its findings for final action on flexible tariff changes (1) to the President, as now, thereby imposing on him a terrific economic and political responsibility; or (2) to a new board of adjustment, quasi-judicial, with power to hold hearings and make binding decisions, or (3) to Congress, letting all tariff changes be directly legislative, thus virtually abolishing the theory of a flexible tariff by executive discretion? I rather look for the proposal to set up a tariff adjustment board, or some equivalent, to gain support. A general tariff rate revision is out of the question for next session, although it is apparent that an increasing number of applications for modifications under the flexible tariff are being prepared for filing with the Tariff Commission.

Existing high rates will continue, but still as "emergency" and "temporary." Hostility between publishers (second class), direct

Postal

and mail order houses and farmers (playing together on fourth class, parcel post), is largely responsible for failure of rate revision this session. Another reason is the reluctance of the Post-office Department to agree to reduced rates while the postal deficit is mounting. Later rate reduction must be accompanied by some reorganization of the postal service, in my opinion, or else it will be postponed.

The Department of Commerce now has new legal authority to do extensive promotion and regulation work on commercial flying, and air traffic is due for a tremendous boom. Some cities are awake to the possibilities, comparable to the early stages of railroad building, and some are asleep. I think that in a few years it will be shown that American development in aviation will be through commercial, rather than military channels. The new commercial aviation law paves the way.

It seems likely that the radio regulation bill will not be finished this session, although it has a chance. The difficulties between

Radio

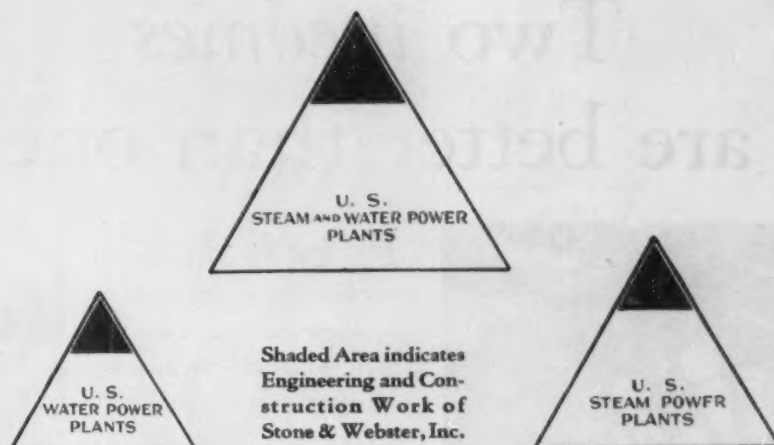
the House, which has passed it, and the Senate, relate to libel on the air, the privilege of answering broadcast political speeches, and the question of whether regulation shall be entrusted to the Secretary of Commerce or a new independent commission. I think chances favor the latter.

The President asked for separation of the Emergency Fleet Corporation from the Shipping Board, but Congress has not authorized it. The Shipping Board continues to control the administration of government ships with less friction than a year ago, but still with plenty of it.

Further attacks on the bakery combinations probably will be made in Congress after the opening of the next session, and certain aspects of these attacks will be significant for other business combinations.

Trusts

The whole subject of combinations, price stabilization and cooperation through trade associations, continues a live subject in Washington, both in and out of Congress. Some public men are saying privately the anti-trust laws need amendment, but they dare not say it publicly. Another element of



THE total steam generating capacity of the light and power industry of the country reported by ELECTRICAL WORLD for 1925, from data collected by the U. S. Geological Survey and the U. S. Census Bureau, was 17,950,000 horse power. The total steam generating capacity designed and installed or under construction by Stone & Webster is 1,680,000 horse power. The corresponding total water power generating capacities are 8,500,000 horse power and 1,020,000 horse power. The combined totals of steam and water power for the country is 26,450,000 horse power and for Stone & Webster construction 2,700,000 horse power. Can we help you in planning new plants or extensions?

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SHORT TERM NOTES



thought is that combinations in many lines are maintaining prices artificially, and that this may lead to a tightening of trust laws in two or three years.

It is fairly well established that there will be no material change in the Government's program for spending about \$75,000,000 a year for state aid on roads, and \$7,500,000 a year for new roads in public forests, for the next three years, at least. This assures a continuity never before established as a public policy.

Almost everything in the line of reorganization failed of final action: The big reorganization plans, civil service classification of postmasters and prohibition agents, the Government Reorganization proposed constitutional amendment to abolish "lame duck" sessions of Congress, Congressional reapportionment, and many others. Congress isn't vitally interested in reorganizing the government.

Most important Presidential Nominations appointments have been confirmed.

Social Legislation There has been practically no "social legislation."

The Senate will meet in special session Nov. 10 to try Federal Impeachment Judge English on impeachment charges. No legislation will be taken up then.

The big question of returning alien Claims, Alien Property property and paying American claimants against Germany goes over to next session, and there is not any too much assurance it will be settled then.

Railroad consolidation got hearings but nothing else, and it stands as one of the three biggest problems for the next session. The tendency of thought is toward seven years for voluntary consolidation, with some measure of later compulsion. The Parker bill in the House, rather than the Cummins bill in the Senate, will be the basis for legislation.

The railroad interest bill's chances of enactment before adjournment are not so good as this is written. It is the same with the bill to remove Pullman surcharges.

It is quite commonly said that Congressional opinion is moving toward regional reorganization of the Interstate Commerce Commission next year, but I do not believe this will happen.

Passenger bus operators agreed to the pending bill for regulation, but truck operators objected. The latter may work out a plan before the next session to let the bill go through.

Coal men got frightened over a pending Senate bill for government fact finding and government control in strike emergencies but the chances of passage were small, and will remain doubtful at the next session. The coal industry does not want any legislation.

The outcome will depend largely on how coal men handle their public relations, which in the past have not been so good.

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7-26



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Of course, any electric motor you use will bear the O. K. of its *maker* before it leaves his factory. And, of course, it must have your O. K. before it is accepted.

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appliance and thoroughly familiarize themselves with the conditions under which the motor must work. Then the same engineers supervise development of a motor to meet these special needs. Lastly, Domestic standards of manufacture and inspection insure flawless materials and workmanship.

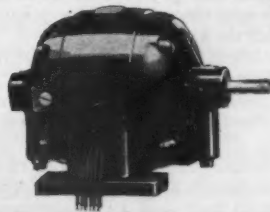
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President, Endicott-Johnson Co. in
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Many organizations, right now, are sacrificing untold profits by still adhering to the old-fashioned wasteful and costly cleaning practices of former days. There is no need or reason to do so. Modern efficient Oakite cleaning materials and methods are available that clean thoroughly, in less time, at lower cost.

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Digest of the Business Press

By WM. BOYD CRAIG

OBSERVATIONS on the termination and probable effects of the general strike in Britain take up more space for the current month than any other comments on business or economic subjects. Whether labor or the government won seems of minor importance beside the consequences and possibilities for the future of England industrially and commercially.

Stephen Bell, in *Commerce and Finance*, writes:

"Taking a large view of Great Britain's general economic predicament, which has been worsened rather than bettered by the strike, no proposal is before the people that promises more than partial and temporary relief—and even this promise may be broken. The nation's productive business even under 'normal' conditions, labors under a load of taxation so crushing that it is a marvel that any business can be done at all. The Chancellor of the Exchequer is at his wits' end to discover additional sources of public revenue while a great and practically untouched source lies undiscovered at his feet. The taxation of land values that Lloyd George sought to make practicable a year or so before the great war broke out was laid away to rest several years ago while he was Premier, and he had not even the grace to attend its funeral as a mourner.

"The tapping of this source of public revenue would go a long way to relieve productive business of its crushing load and put Britain's unemployed millions to work."

Another angle of Britain's land question is presented by P. W. Wilson on page 62 of this issue of NATION'S BUSINESS.

Need to Allocate Workers

THE real problem," says *The Iron Age*, "both in Great Britain and the United States, is to get about 200,000 workers in each country away from coal mining, for which they are not needed, and to transfer them to other production, for which they would be useful. There is never such a condition as a people producing too much, for the maximum of production means improvement in the scale of living. There can be, however, and frequently is maladjustment in respect to the production of certain commodities.

"It is indeed the major problem of any national economy to keep the different branches of production in balance.

"The present issue that has been raised in Great Britain is whether an overdeveloped, overmanned and unprofitable industry shall be subsidized at the expense of the State. The attempt to subsidize the American farmers through the medium of the Haugen bill now pending before our own Congress is not economically of any different order. It scarcely need be pointed out that a general program of government aid would lead into a blind alley. Under such a regime we should have claims for a greater national production than there ever is, while anything short of a general program would be grossly unfair. Common sense teaches that one citizen who is working should not be taxed to support another one who can work but does not."

The same magazine is concerned with the shackles which unionism imposes upon labor in England, and comments:

"The principles and precepts of labor unionism are in themselves one of the greatest of economic restrictions.

"With their abolition labor would be free to flow from places where not needed to other places where needed; and sooner or later the constraint of circumstances would compel such a flow."

"If the outcome of the British strike unshackles British labor there will be in the end a great industrial gain and an improvement in

the welfare and satisfaction of all the people of that country."

Commercial and Financial Chronicle takes a rather optimistic view of the probable results of the upheaval. It says:

"It is impossible to overestimate the benefits that must accrue to the whole world from the failure of the sympathetic strike in Great Britain. The sporadic attempts now being made by individual unions at different points to continue the struggle, notwithstanding the action of the Trade Union Congress in withdrawing the general strike order, signify nothing, since they are nothing but sputterings on the surface and cannot affect the general outcome.

"With us in the United States, how much of the tendency toward paternalism is due to the activities of unionism is hard to say. We have not reached to a consideration by Congress of a direct subsidy to coal miners, though we have periodical strikes. But we are, at the moment, on the verge of an indirect subsidy to the farmers. But unionism as a whole has obtained an eight-hour day.

Unions Exempt from Monopoly Laws

AND it is not averse to law making which it considers especially favorable to the 'workingman.' Though it assumes to speak for all men who work, it numbers less than four million of the workers. Exempted from the operation of the law against the restraint of trade, it calls minor and particular strikes, though it joins with employers in advocating a lawful contact and contract between employers and employees of railways independent of other Governmental agencies of regulation and control.

"And in this it is to be commended. Further, now that the English example is before the world it must appear that the path to peace and prosperity is along the line of voluntary co-operation in the amicable adjustment by arbitration 'inside the plant.'

"We will gain all around in this country if we will map the course of intolerance on the part of organized labor and of a certain indifference and arrogance of unorganized capital.

"There is too much of organization on both sides, but far more upon the former than the latter. The inevitable end may be avoided by conference as well as by conciliation. London is far more nearly Great Britain than New York is the United States. But our large cities are growing rapidly in population. And in them lesser strikes are occurring all the time.

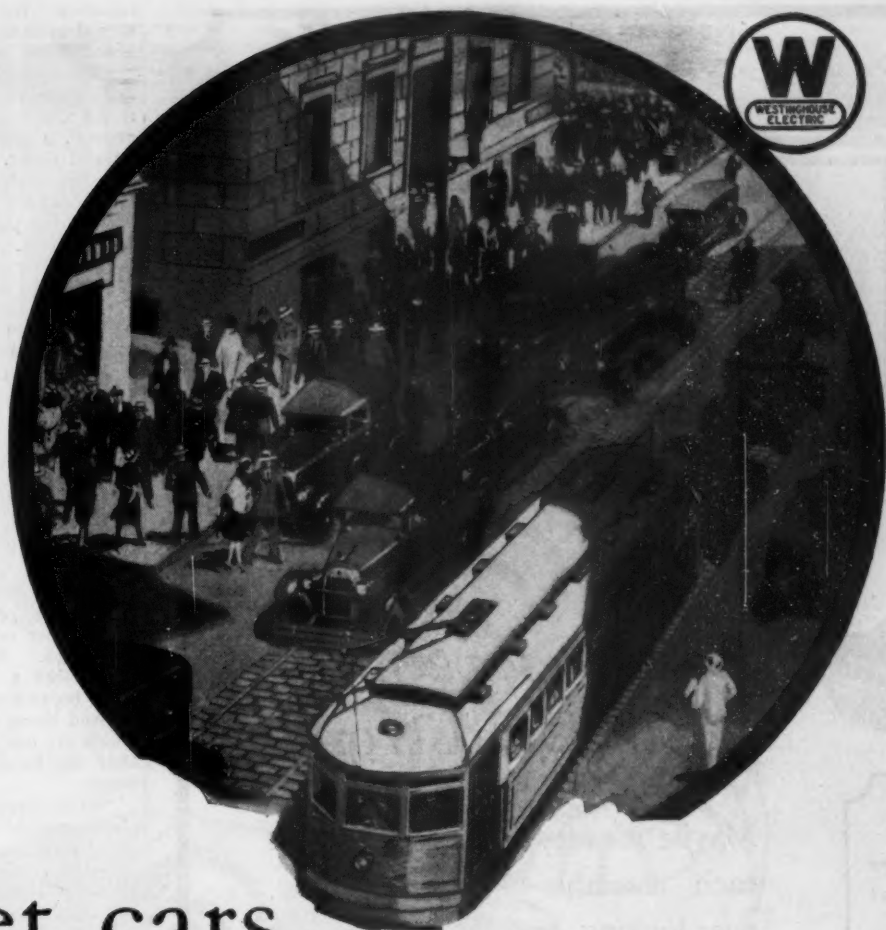
"A final outcome, such as this 'general strike,' is fostered by failure to reduce the number here, and by the constant resort to the 'strike' as a weapon. About half of our population is therefore in daily contact with all the claims and coercive measures of unionism. Vital is the subject to our peaceful industrial future. Much can now be done to avert a final calamity by study and observation. And it may be said in candor that there are elements of opposition to 'government' in any and every strike, however individual and limited.

Right of Man to Work

AGAIN and again we assert the right of a man to work when and where and for whom he will. We seem to realize in all cases that the public has rights that must be respected. And we aver that property has rights, though the property be small, that must be protected. Our courts take action on picketing and unions resent injunctions.

"In and through it all 'public opinion' should not fail to express itself upon 'labor' versus 'government' before it is forced to do so by some major and malefic struggle.

"If in the United States we are not to follow in the footsteps of England we must refuse utterly to grant subsidies to any class or oc-



Street cars relieve street congestion

Streets are blocked, normal traffic is halted, business is suspended by a few thousand people marching in a street parade.

But every day whole cities are carried by street cars and motor busses through the busiest streets. In most large cities the daily car-riders exceed in number the total population.

The larger the proportion of people using street cars, the faster the traffic moves. Without street cars most cities would throw up their hands in the face of growing traffic congestion.

Only 21,036 vehicle movements out of 152,339 in Baltimore are movements of

street cars, which, however, transport 89 per cent of the traffic.

In St. Louis at any normal hour, street cars use only one and a half per cent of the street space.

During a week day in Chicago's Loop, only two per cent of the street space is needed to accommodate the people who use street cars, and they're 74 per cent of all those who must be moved.

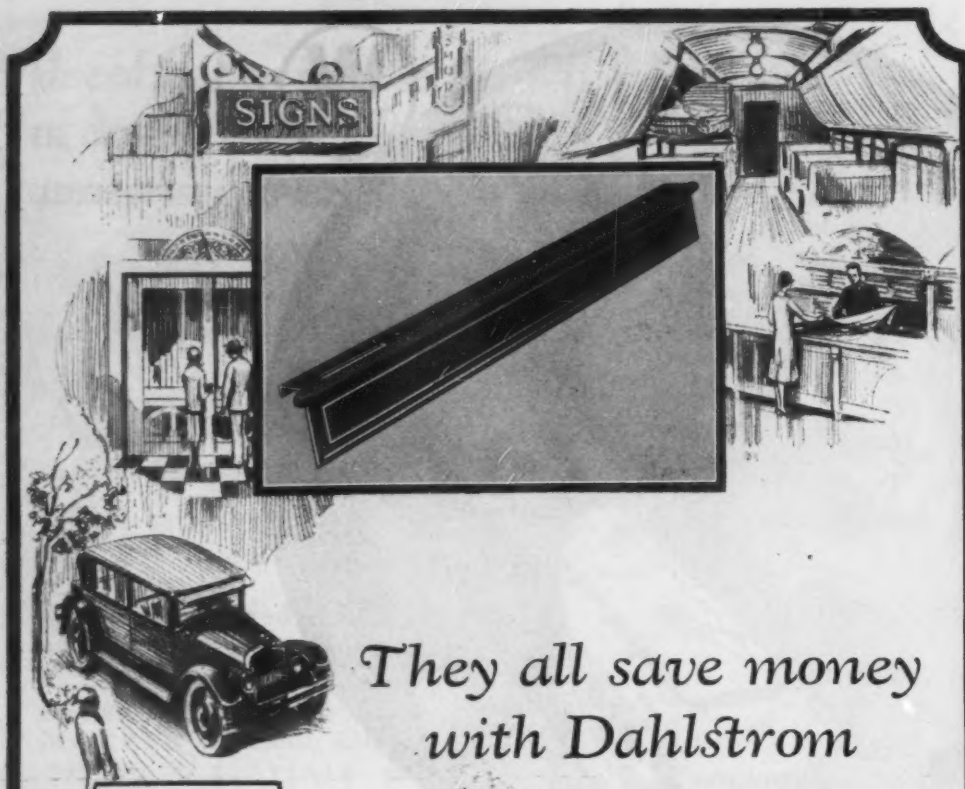
The more that cities grow—the more congested they become—the greater becomes the usefulness of street cars. Electric railway companies, far-sighted, confident, built more new mileage in 1925 than in any year since 1916.

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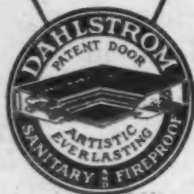
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cupation. We must set ourselves firmly against any class that seeks through politics to control Government and feather its own nest.

"We must distinguish between social sympathy and political justice. We must appraise the strike for what it is, whether it be single or general, a means of coercion contravening the natural order, opposed to arbitration and conciliation, and, being directed, despite protestations, against the rule of the majority and against the public good, is thereby against the Government.

"Somehow and in some way resort to the 'strike' must be broken. And unless it is, we shall some time have to test its power in the only ultimate way possible, the invocation of force by the Government to protect business and preserve the democracy of the people."

Unionism Kills Efficiency

PERHAPS the most pointedly forceful remarks on unionism in England were printed in *The Wall Street Journal* and reprinted by the *Commercial and Financial Chronicle*. The quote:

"What is the matter with Great Britain today? The 'union stroke,' and nothing else. Her coal miners are putting out three-sevenths of the coal per capita they produced in 1911, and 25 per cent less than they produced five years ago. Her bricklayers are laying barely 400 bricks a day. She is losing her export trade because of the labor cost of production.

"And there, even as in America, the factories which are not unionized are getting all the work they can handle and paying better than union wages.

"Wisely invested capital, intelligent invention, elimination of lost motion, utilization of waste, efficient management have increased American industrial production enormously. Will Mr. Green give us chapter and verse for even a very few instances of a voluntary increase in production by labor itself? As Ebenezer Eliot, the English peasant-poet of a century ago, said:

What is a Communist? One who has yearnings
For an equal division of unequal earnings;
Sluggard or scoundrel or both, he is willing
To fork out his penny and pocket your shilling.

Proposals for Farmers' Relief Held Political, Not Economic

FARM RELIEF is more of a political than an agricultural or economic question at present, in the opinion of most observers. The Haugen and other bills carrying some form of farm subsidization are warmly supported by most, but not all, of the farm journals, and practically all industrial and business journals just as warmly oppose these bills.

Wallace's Farmer reprints editorial comment from two New York papers and comments thus:

"The highest blood pressure was shown by the New York *Evening Post*. The *Post* said editorially, among other things:

Nursing the Western Farmers

"POLITICALLY, this is a most damnable sectionalism at its rawest and worst. It divides the farming west and southwest from the industrial east, north and southeast. We need no privileged, tax-eating, treasury-sucking class in this country."

"Perhaps in order to keep the matter clear we should state again that the *Post* is not referring to the tariff, the tax bill, the ship subsidy, the Edge-Pomerene law or any other sectional legislation in favor of industry, but to the Haugen bill, which makes an effort to place agriculture under the protective system. These other acts were statesmanlike affairs, according to the *Post*; the adjectives are reserved for agriculture.

"The New York *Times* is hardly less pained. Referring to the farm bloc, it says:

"They are the ones who will be holding congress in session longer, if their demand is yielded to that a comprehensive and subsidizing agricultural bill is framed and enacted. In that case the country will understand that the seat of government has been transferred



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a paint brush are thoroughly reached by the force of the spray. No surface is too rough for a Binks Spray Gun.

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from Washington to the sacred and sovereign corn belt.

"This doubtless will make some folks feel that the foundations of the country are tottering. Naturally, the corn belt will not take that view. The seat of government could be in worse places; it has been.

"Raymond G. Carroll, whose correspondence is syndicated over the country, notes the painful foreboding of the old protective crowd. It is assumed that the consumer will rebel at paying a protected price for food. Carroll adds:

"To keep down the domestic prices, the enemies of protection will have a club with which to hammer at the tariff, and that issue, of vital importance to every worker and manufacturer, will be reopened and perhaps made a political issue again. And the middle-western agricultural interests will have the responsibility of having put in danger again the prosperity of America."

"Of course, if food products ought not to be protected, neither should anything else. Protection for all or none is the only fair way. Quite possibly, if the Haugen bill passes, the tariff question will be opened by the consumers; but quite certainly, if it does not pass, the tariff question will be opened by the producers of food products. Either way, the groups who think they have an exclusive right to protection seem to be in for an unhappy time.

"Another correspondent, Mark Sullivan, warns us that the down-trodden industrial sections will rise in their wrath shortly. He views with intense surprise Lowden's endorsement of the export plan, and plaintively says:

"This action is attributed to presidential ambitions, but hardly any person could expect to get a republican nomination against an east as aroused as the east will be when it understands the Haugen bill."

Cutting Farmer's Own Costs

THE National Provisioner suggests that methods of reducing farm production costs be found by the farmers themselves, and continues:

"Any industry that is in a state of economic adjustment suffers financial loss and inconvenience to its workers. It may be that agriculture is in this condition today and that it will find its ultimate readjustment slower if it fails to work out its own problems."

The suggestion made by the Chamber of Commerce of the United States that a conference of farmers and business men be called together to talk over the problems of agriculture with a view to meeting them with business methods is commented on by *The Prairie Farmer* and the following suggestion advanced:

"The United States Chamber of Commerce suggests calling a conference to discuss farm problems. That is a good idea. Business men should be more deeply interested in agriculture, and they may be able to make some worthwhile suggestions.

"It would also be a good idea for the big farm organizations to call a conference to discuss business problems. Farmers might make some suggestions that will be valuable to business.

"In the end, of course, business men will take only such advice from farmers as they deem of value, and farmers will do the same regarding suggestions from business men. A better understanding of the other man's viewpoint is always of value, however."

Timber Supply Must Be Saved For Future Use, Says Journal

ARE OUR forests diminishing so rapidly that there is danger of acute shortage of timber resources? *The Mining Congress Journal* raises this question in an editorial "Our Diminishing Timber Resources." Says the *Journal*:

"The nation is at last awake to the necessity for intelligent action, if we are not to be a country devoid of timber resources. The strenuous efforts of a number of organizations

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NATION'S BUSINESS
Washington

and individuals to arouse the public to its almost criminal disregard for our rapidly diminishing timber reserves are at last bearing fruit.

"Interest in the subject is increasing rapidly and an intelligent interest is displacing apathy." The *Journal* touches on the reported discovery of a process to remove ink from newsprint, thus:

"Cornell University believes it has developed a process that will remove ink from old newspapers, thereby making a hitherto entirely waste product of considerable value in timber conservation. They claim their discovery to be comparatively simple, in that the process reduces newspaper to pulp, and by chemical treatment removes the ink from the mass.

"Just how important such a discovery may be realized by considering the quantity of timber that is consumed in the publishing of the Sunday edition of the *Chicago Tribune*. This one newspaper consumes 71 acres of timber in its Sunday editions and 145 acres each week in its other editions."

Some Progress Being Made

THAT some progress is being made by the factors working for the conservation of timber is pointed out:

"The work of the National Wood Utilization Committee, the work of scientists and of our national universities, and the growing interest of the mining industry in solving its timber problem are healthy indications that an earnest interest is being taken in those things that promise to reduce the rate at which the forests are disappearing. The subject is worthy of careful consideration on broad economic grounds, and as an important phase of mining that industry stands ready to do its share in bringing about a solution."

Dr. Wilson Compton, secretary manager of the National Lumber Manufacturers Association, said recently that the lumber business is positively not declining, according to the *West Coast Lumberman*, and that "the idea so commonly held that it is declining is largely due to the lumbermen themselves.

"The atmosphere of a declining industry has been allowed in recent years to penetrate the lumber business. For this fact the industry itself is not without fault. It is also suffering the consequences.

"The consequences are not difficult to see—loss of markets, waste of resources and decline of profits. No industry has ever made progress by going backward.

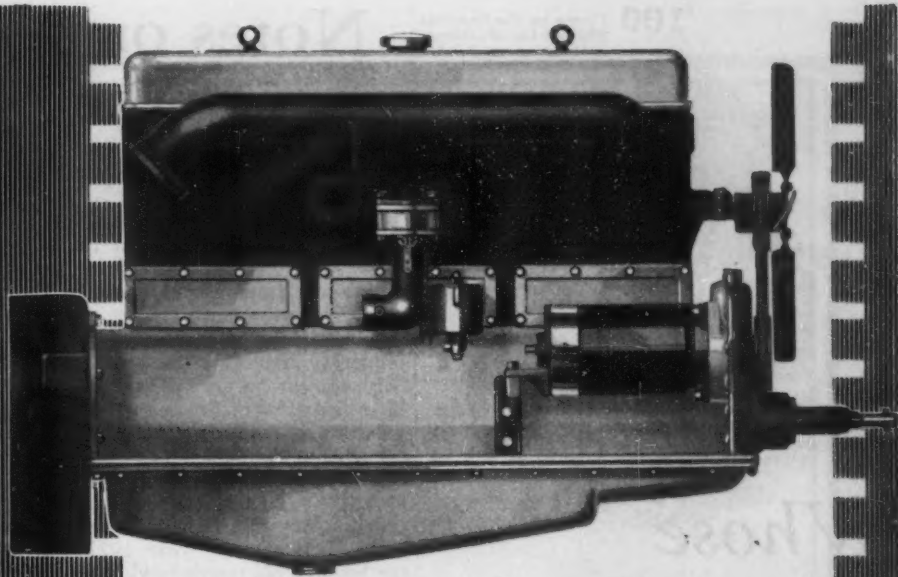
"This atmosphere of expected decline has of course impressed the mind of the lumber consumer. It has been fanned by well-meaning conversationalists, in exaggerated fear of a "timber famine," exploited by audacious competitors seeking profitable markets for "substitutes"; and aggravated by the industrial "cannibalism" which has recently characterized the competition between species of lumber in common markets.

Giving Away Best Markets

"THE most conspicuous result of this process has been to turn over to other materials many of the choicest lumber markets, while thousands of competitors in the lumber industry have been quarreling for a share of the constantly declining remainder. The increase in the use of "substitutes" for lumber has in the last sixteen years absorbed the market for an aggregate of 232,000,000,000 feet.

"Much of this substitution is economically sound and therefore will be—or at least should be—lasting. But much of it also has been built upon the shifting sands of misrepresentation and of exaggerated claims of superiority supported not by facts but by high-pressure salesmanship.

"Heretofore it has not been aggressively contested by the lumber industry which has nevertheless been its principal victim. But it is unsound and vulnerable; and it offers to a concerted lumber trade extension movement its most promising opportunity."



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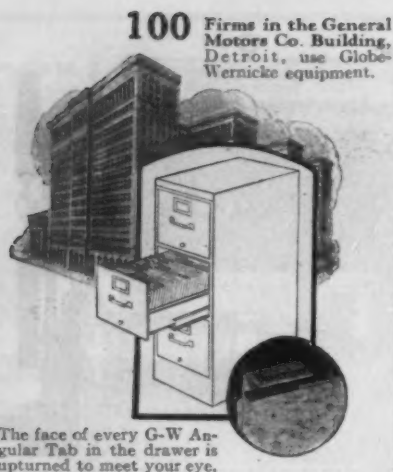
Especially in the bus field where costs climb quickly, these outstanding advantages are often enough to turn the tide from loss to profit. By delivering "More Power per Cubic Inch," Wisconsin Motors consistently exceed the promise of bore and stroke—and net important gains to manufacturer, seller and user.

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Notes on New Efficiency in the New South

By EDNA ROWE

EFFECT of Prohibition on the Coffee Addict! For the first time, the Volstead Act has roused my personal indignation. Innumerable Southern hotels are using obsolete punch-glasses to replace individual cream-pitchers. They don't pour properly; and my disposition, before being bolstered by coffee, is weak. "But see, Miss," pleaded one manager, "you No'thne's are always preachin' efficiency. Well—we got a pantry full of punch-glasses, and they just nat'chly do *not* confo'm to hip pockets, ma'am!" Then, for my consolation, he added: "Anyway, they'll soon be bust up!" Then, I fancy, the year 1927 will behold the honored old punch-bowl, itself, enthroned in the center of the cafe, and each guest smugly self-serving himself to a ladle of cream.

IN A fraternity of feeling based on adjacent cherry-phosphates, a tired but twinkly-eyed sales person and myself waxed chummy at a drugstore counter "somewhere in Florida."

"I'm telling you," he confided, "the man who comes down here from the Middle West with a wife and child, and no experience in real estate, soon gets tangled up in a problem worse than 'How old's Ann?' If he's a farmer, say—like lots of us were—he don't know where he's at, with all this here arithmetic—this addition, subdivision—"

"—and at least twice plus-fours," I gurgled through the straw.

He grinned. "I got the answer, though, sister! Guessed it?"

"Always poor at figures," I confessed.

"One down! And *two* to carry! I'm starting back Sunday with the wife and boy—back to the trusty old Indiana cornfields."

ONE OF the most efficient motor-clubs in Florida I found "manned" entirely by women. They handle all memberships, licenses, wayside assistance and emergency calls. Their touring bureau gives swift and

accurate road information to the tourist. (And that, too, though it encounters problems beyond the ken of the masculine bureau; for, in addition to the steady flow of mileage and detour statistics, I heard the clerk with naturally-curly hair tactfully respond to an envious woman with straggling locks who asked where she got her "permanent wave"! At five-fifteen, pert hats were deftly pressed over businesslike yet feminine coiffures as, one by one, alert young husbands drove up to the entrance in gay, little cars—proud product of their joint earnings—and whisked their wives away to cool, suburban homes. Just like high-school days, and your "best beau" waiting at the class-room door to carry your books after a stimulating day of problem-grappling. I liked that. And I liked this!

ON EACH floor of a hotel distinguished for excellent service, this "code," neatly printed and framed hung beside the elevator, lets the guest into the secret of its deserved reputation. "To those who Serve our Guests. The service of this organization must always reflect a spirit of hospitality which does not fluctuate with the size of the business transaction."

SUCH advertisements as these, flashing along the highway, do most truly intrigue the imagination of the motorist: "Groceries, fertilizers, coffins and caskets"—"Eat Tate's Dogs"—"Gergle's Drugs"—"Foote's 10-cent Store—Nothing over a Dollar."

AND TO prove that Southern courtesy, even in business, is no myth, I quote you, from a placard beside a cash-register: "If we forget to thank you, your purchase is free." (With all the anticipatory thrills of a wild fling at Tia Juana, I tendered my dime. But courtesy won. And I lost!)

"**C**ASH and Carry" translated into rural Georgian reads "Pay and Tote."

Coining a New Slogan

DISCUSSIONS of the European debt question are pretty sure to bring out some mention of the amounts Americans spend abroad during vacation months. Statistical lists, showing amounts of staggering size, bring to the mind of most Americans the thought that it is the money that the tourist leaves in Europe that makes possible any reparation at all.

The question of keeping this money, or a part of it, at home, is a live topic. It is interesting many communities, especially when there is a feeling that a vacation might be spent in some particular community with profit, satisfaction and good will on all sides.

The Pacific coast, for instance, thinks that Americans should evidence a loyal spirit by visiting there, and the coast points to numerous attractions which make it an ideal playground and recreation section.

Herbert Cuthbert, manager of the Publicity Department of the Portland, Oregon, Chamber of Commerce, told the Pacific

Coast Advertising Clubs Association convention that every hotel, business man, chamber of commerce and other civic organization should place on its stationery the slogan: "Spend your vacation in 1926 on the Pacific Coast." He pointed out that the cities of the coast should cooperate to get tourists and visitors to travel to the region, and then let the individual cities tell the story of its own attractions, once the visitor enters the region.

Mr. Cuthbert was the originator of the slogan "See America First."

He was in London, he said, when he first uttered the now far-famed slogan, "See America First."

"I was asking a party of American tourists," he said, "how many had seen Niagara and the Yosemite. Seventy per cent of them had never been to the falls and 90 per cent had never seen Yosemite. I said: 'Why, before coming to Europe, don't you see America First?'"



The milk supply must not fail!

Perhaps in no other industry does transportation assume such vital importance as in the milk business. Everything depends upon reliable, economical hauling to the city markets on time. Dependability must be the first and last consideration.

Pierce-Arrow trucks have won an enviable reputation in this line of business.

The case of the United Milk Company of San Francisco is a typical example. Five Pierce-Arrow trucks and five trailers, equipped with glass-lined tanks, transport 5,000 gallons of milk daily over a 134-mile route. At latest reports not a single trip had been missed. The cost of transporting the milk is three cents per gallon, while the former cost by rail was five cents per gallon—a saving of \$100 per day.

A few of the other milk concerns who know the reliability and economy of Pierce-Arrow trucks are:

AMERICAN MILK CO., Chicago, Ill.
BOWMAN DAIRY CO., Chicago, Ill.
TURNER CENTRE SYSTEM, Providence, R. I.
JOSEPH O'DOWD, Pine Brook, N. J.
HENRY BECKER & SON, Inc., Roseland, N. J.
PEOPLES MILK CO., Buffalo, N. Y.
EVANS DAIRY CO., Inc., Brooklyn, N. Y.
SUPPLEE-WILLS-JONES MILK CO., Philadelphia, Pa.
HARBISON'S DAIRIES, Philadelphia, Pa.
HARMONY CREAMERY CO., Pittsburgh, Pa.
HERMES-GROVES DAIRY CO., Pittsburgh, Pa.
NATIONAL DAIRY PRODUCTS CO., New York City
ADOHR STOCK FARMS, Los Angeles, Calif.
J. B. PRESCOTT, Bedford, Mass.

Let the nearest Pierce-Arrow representative give you the facts about silent, powerful, dual-valve Pierce-Arrow trucks in your line of business.

Pierce Arrow

*Dual-Valve
Heavy Duty* Trucks

\$3500

and up for chassis, f. o. b.
Buffalo, N. Y. Sizes: 2, 3, 4, 5,
7½ tons. Six-cylinder Motor
Bus prices upon application

Terms if desired

THE PIERCE-ARROW MOTOR CAR COMPANY

Buffalo, N. Y.

*When in Buffalo, visit the Pierce-Arrow factory. Capable guides
will show you how Pierce-Arrow trucks and busses are built*



This picture illustrates an extreme case

Is hunger or thirst killing your trees?

Look at the tops of your trees. Are the leaves thin and yellowish? Are they undersized? Are they inclined to turn brownish and curl up? Are the uppermost parts of the trees thinner than the rest? Are there little dead branches showing at the tops of the trees?

These signs are unmistakable evidence of trouble. It is practically certain that such a tree is dying from either hunger or thirst or both. The tree is a living thing. It requires food, and it must have water. Under semi-artificial conditions, the soil is gradually exhausted of its food elements. Such a tree must be fed, for exactly the same reason that a good farmer fertilizes his fields. Get the advice of Davey Tree Surgeons quickly. They are local to you.

THE DAVEY TREE EXPERT CO., INC.

437 City Bank Building
Kent, Ohio

Attach this coupon
to your letterhead
and mail today



Reg. U. S.
Pat. Off.

THE DAVEY TREE EXPERT CO., INC. JOHN DAVEY
437 City Bank Bldg., Father of
Kent, Ohio Tree Surgery

Gentlemen: Without cost or obligation on my part, please have your local representative examine my trees and advise me as to their condition and needs.

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

ALL IS not gold that glitters with a "10K" or "14K" mark is a reported discovery of the Federal Trade Commission in its investigation of a complaint that a Newark concern has misbranded some of the knives it sold (Docket 1252). This firm, the Commission explains, buys partly manufactured knives for mounting. The method of mounting, the Commission says, is to place a shell of base metal inside the gold shell so that the edges of the base metal shell are concealed from view by the overlapping gold shell, and can only be revealed by dismantling the knives. These knives, the Commission says, are sold as "10K" and "14K" gold-mounted knives.

According to the findings in this case, representatives of manufacturers who make gold-mounted knives held a trade practice submittal before the Commission in May, 1922, at which the following regulation was approved, with the one dissenting vote cast by the Newark company's representative:

A knife stamped with a mark indicating the karat fineness, such as "10K," "14K," or "18K" is improperly marked, if, between the skeleton and the gold sheet, any metal composition is inserted by any method whatsoever, unless that inserted part is of the same karat fineness, to wit, 10K, 14K, or 18K.

The company's marking of its knives, the findings conclude, have the capacity and tendency unfairly to divert trade from competitors who do not conceal a base metal in the mounting of knives sold by them. A prohibitory order has been issued, with Commissioner Humphrey dissenting.

SPREADING oil by means of gratuities to employees of prospective customers is bad business, the Commission has decided in a case against a Providence company, and it has published its disapproval of the practice in a prohibitory order (Docket 1175).

This company, the Commission explains, is a manufacturer of textile oils and allied commodities which it sells to purchasers throughout the United States. The Commission found, it says, that through an agent, sums of money were offered and given to employees of purchasers of "fulling" and scouring oil sold by the company, and that these gratuities were

to induce employees to buy the company's oils, and that they were offered and given without the knowledge of the persons who actually paid for the oils. The effect of this practice, the Commission contends, was to divert trade from the company's competitors and to induce the purchase of its products in preference to those of its competitors.

CHINESE lace isn't Irish just for naming it so, reports the Commission after investigating a complaint of unfair competition against a New York firm of importers (Docket 1268). By reason of the business practices revealed in this case, the Commission has issued an order which requires the firm to stop selling or offering for sale as Irish lace or Irish crochet any lace made in China or elsewhere than Ireland, and to refrain from using the word "Chinese" or any other geographical designation in conjunction or association with the word "Irish," or any other name or word suggestive of Ireland as the place of manufacture.

Lace made in China is imported by this firm, the findings say, and then sold to manufacturers of garments for use in trimming women's and children's clothes. In describing its lace, the firm used the following designations: "Irish Lace," "Irish Crochet," "Chinese, Irish and Filet Laces," and "Chinese Filet and Irish Crochet." These descriptions, the Commission says, originated with the firm cited and were passed on to the manufacturers, a practice which resulted in advertisement of the finished garments as "Trimmed with Irish Lace," thereby deceiving the

purchaser into belief that he was buying a garment trimmed with lace made in Ireland, the Commission contends.

SOME coal dealers were "Snowbirds" and some were not, according to a system of classification used by a retail coal association with its headquarters in St. Louis, the Commission reports in publishing the text of a prohibitory order based on its findings that "the respondents cooperating together and acting in concert, hindered and prevented the purchase of coal in interstate commerce by and between producers, jobbers and wholesale dealers and individuals by various unfair means" (Docket 1118).

The alleged unfair methods, which the order specifically prohibits, are indicated in the text of the order. It requires discontinuance of:

1. Arbitrarily classifying sellers and purchasers of coal and shipments thereof "Snowbird" shippers, "Snowbirds" and "Snowbird" shipments, respectively, or by any similar or other terms because of or according to the extent or degree of equipment



NOTE THIS

The picture above shows two important things:

- 1—Overlapping Sheets
- 2—Visible Portion at Bottom of Each Sheet

In a Brooks Visualizer your active business records—accounts receivable, sales records, stock records, purchase records, etc.,—are on *overlapping sheets* (not cards); and the indexing name, number, or address is always in plain sight on the *visible portion* of each sheet. This visible portion is wide enough to carry additional words, numbers, or check marks giving you information for reference or follow up.

Each series of overlapping records is separated from the next by a large "division sheet" with a tab, so that you can turn instantly to any subdivision of your index.

In a single one of these loose-leaf books you can put from 500 to 1000 records, every one *visibly* indexed. This system is so compact that you can have 10,000 records within easy reach, in a rack on your desk or on a stationary or revolving stand beside it. Sheets can be removed or inserted in a few seconds without disturbing those preceding or following. This is done by an exclusive patented method, the

FLEX-SITE
PATENT SHIFT

Ask HER how much time it saves — she KNOWS

It saves time because all the work can be done at her desk and needless operations are eliminated. She can draw a book toward her and open it at the proper index tab with virtually a single movement. Instantly, she sees the right name and makes her entry or reference as the case may be.

If she has to remove a sheet or insert a new one, as shown in the picture above, she can do it by an exclusive method—the *Flex-Site Shift*—found in no visible equipment except Brooks Visualizers. She can work in a position natural to her and doesn't have to carry heavy bound volumes or run back and forth to a stationary cabinet.

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For Permanent Beauty

In

Zoning Law Buildings



Elverson Building for the Philadelphia Inquirer, Phila., Pa., Rankin, Kellogg & Crane, Architects

FACED with ivory white Terra Cotta from ground level to the brilliant gold glazed Terra Cotta dome this building strikingly illustrates the beauty of modern zoning law architecture. Its effect under night illumination is particularly inspiring.

NATIONAL TERRA COTTA SOCIETY

19 West 44th Street

New York, N. Y.

owned by the said purchasers or employed by them in the sale, movement or distribution of coal, or causing any such classification to be published in any trade paper, or other publication, or to be communicated to others or among themselves, in that or any other manner.

2. Designating or causing to be designated, in articles or editorials in any trade paper or other publication, or in any other manner or by any other means, any individual, firm, corporation or association, or groups thereof, as the vendor or purchaser of coal, or their shipments of coal by using or causing to be used denunciatory, scurrilous, abusive, or derogatory language of and concerning them or either of them.

3. Soliciting or receiving between or among themselves or with others and/or circulating between and among themselves or with others communications or reports, either printed, written or verbal, having the purpose, tendency or the effect of inducing, coercing or compelling producers, jobbers or wholesale dealers in coal, their agents or their brokers, directly or indirectly, to refuse to deal with or to sell coal to any person, firm, corporation or association.

4. Threatening with loss of patronage or custom, any producer, jobber or wholesale dealer in coal, or his agent or broker, for selling or agreeing to sell to any person, firm, corporation or association, or from persuading any such producer, jobber or wholesale dealer in coal not to sell coal to any person, firm, corporation or association.

AN ARKANSAS wholesale grocers association, with headquarters at Little Rock, is required by order of the Commission to discontinue practices alleged to have reduced competition in grocery products entering Arkansas from other states. The methods banned by the Commission included refusal to deal with manufacturers, brokers, or agents who sell their goods direct to chain stores, cooperatives, or retailers at prices lower than the prices at which retailers can buy the goods in the same territory from wholesalers; threats to induce the cessation or reduction of sales at the alleged lower prices; the contention that it is improper and illegitimate for manufacturers to sell to both jobbers and retailers; urging united action in favor of observing the channels of trade from the manufacturer to the wholesaler thence to the retailer, thence to the consumer, to the exclusion of any other channel; and the circulation of defamatory attacks, statements about manufacturers who sell direct to chain stores, cooperatives, and retailers (Docket 1232).

DECLARING that the term "Castile" should be applied only to soap made of olive oil with no admixture of any other fat, the Commission has disapproved the resolution adopted by a majority of the soap manufacturers represented at a trade practice submittal held before the Commission to consider rules for marking, labeling, and advertising soaps sold under the name of "Castile." Notice of the action of the Commission will be sent to all soap makers using the term "Castile" in connection with the sale of their products, and they will have opportunity voluntarily to discontinue marking, labeling, and advertising soap contrary to the action of the Commission.

FIVE additional stipulations have been accepted by the Commission, and the proceedings dismissed after the concerns involved had formally agreed to discontinue the practices alleged unfair, with the understanding that, should the methods banned ever be resumed, the stipulations may be used as evidence in a proceeding by the Commission. The practices included the use of misleading or deceptive corporate or trade names, misleading advertising matter, and misleading or deceptive brands or labels, all of which have been condemned by the Commission. With these stipulations,

A City Built in Three Years ~ LONGVIEW *Washington*

REMARKABLE AS TO LOCATION, CLIMATE AND OPPORTUNITIES

Business street scene

Railway station

General view of Longview

Lake Sacajawea bordering residential districts

Public school

Community church

One of the bank buildings

Hotel Monticello

Longview Memorial Hospital

Y.M.C.A. building

Public library

Electric power plant

Scene on lumber docks

Spring in Jefferson Square

Residential street

Four ships loading at Columbia River docks

Standard Oil Marine Station

These pictures tell but a part of the interesting story of Longview, Washington. Use the coupon for literature and more pictures.

THE LONGVIEW COMPANY
DEPT. 12 LONGVIEW, WASH.
Gentlemen: Please send me further information about Longview, Washington, with special reference to _____
Name _____
Address _____
(PLEASE PRINT NAME AND ADDRESS)

When writing to THE LONGVIEW COMPANY please mention Nation's Business

The Business Budget

Telling Exactly What It Is

... Simply a written plan covering income and outgo. The proper use of it is nothing more than the sound management of one's personal funds, developed for and applied to business. Clerical expense is rarely increased, more often reduced.

The Business Budget is a flexible guiding estimate—not a law—and, as an *estimate*, it sets up a definite goal for the future, gives the organization definite objectives to reach (or excel), and charts the way.

Covering all anticipated purchases, expenses, sales and profits, the Budget provides a live standard with which to compare actual operations and thereby prevent or stop mistakes and loss.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

| | | | | |
|--------------|------------|--------------|---------------|-------------|
| NEW YORK | CLEVELAND | DETROIT | MINNEAPOLIS | NEW ORLEANS |
| BUFFALO | CINCINNATI | GRAND RAPIDS | ST. PAUL | JACKSON |
| ROCHESTER | TOLEDO | KALAMAZOO | DAVENPORT | MIAMI |
| BOSTON | COLUMBUS | PITTSBURGH | ST. LOUIS | TAMPA |
| PROVIDENCE | YOUNGSTOWN | WHEELING | KANSAS CITY | DALLAS |
| PHILADELPHIA | AKRON | ERIE | OMAHA | HOUSTON |
| BALTIMORE | CANTON | CHICAGO | DENVER | FORT WORTH |
| WASHINGTON | DAYTON | MILWAUKEE | SAN FRANCISCO | SAN ANTONIO |
| RICHMOND | LOUISVILLE | INDIANAPOLIS | LOS ANGELES | WACO |
| | MEMPHIS | | ATLANTA | |

eighteen have now been accepted by the Commission.

IN RESPONSE to Senate resolution, the Commission is investigating conditions in the flour-milling and bread-baking industries, but the inquiry has not been completed, the Commission says, "because most of the larger flour-milling companies which were active in furthering agreements to restrict competition described in this report either refused to permit the examination of their correspondence files touching such competitive practices or refused to permit copies to be made of specifically described letters relevant to alleged violations of the antitrust acts."

According to the Commission's statement, the national organization of flour millers, which, the Commission says, is controlled by the larger companies through plural voting, "permitted examination of its correspondence, but refused copies to be made of any more than three hundred letters or other documentary evidences selected." The Commission has issued subpoenas to compel the production of some of the documents, but this proceeding is being contested by the millers' organization through the courts.

The alleged activities to restrict competition among flour millers, which the Commission is considering, include:

Agreements, understandings or cooperation to sell at a profit, involving discussions of what margin over the cost of wheat is necessary to insure a profit.

Exchange of information on selling prices to prevent competitive price cutting.

Agreements, understandings or cooperation to fix the elements of selling prices.

Agreements, understandings or cooperation to fix uniform differentials on prices of flour sold in packages of different sizes or for flour in different containers.

Agreements, understandings or cooperation regarding forward deliveries and carrying charges.

IN 1922 the national wealth was 353 billion dollars, and in 1923 the national income was 70 billion dollars, according to a report on the national wealth and income made by the Commission in response to a Senate resolution. Of the national wealth, land values accounted for 122 billions, or 35 per cent of the total. Improvements on land were valued at 108 billions, and movable goods at 123 billions.

Regarding the ownership of natural resources, the reports says that in 1922 six companies controlled about one-third of the developed water power, eight companies controlled three-fourths of the unmined anthracite coal, thirty companies controlled more than a third of the immediate reserves of bituminous coal, two companies controlled more than one-half of the iron ore reserves, four companies controlled nearly one-half of the copper reserves, and thirty companies controlled about one-eighth of the petroleum reserves.

The wealth of corporations is developed in the report on the basis of special statistics obtained from the Treasury Department, the book values showing an aggregate of 102 billion dollars in 1922. Manufacturing corporations stood first with an estimated total of nearly 34 billion dollars, and of them, producers of various metals and metal products were credited with the greatest wealth. The railroad corporations had a greater amount of wealth than any other one industry, and much the largest average amount of wealth per company.

The report states that the ownership of corporations is generally widely distributed. Returns from 4,367 corporations, with a combined capital stock of more than 9 billion dollars and an aggregate of 1,074,851 holdings of common stock, put the average holding of common stock at \$6,969, and of preferred stock at \$5,211. Excluding corporations, trustees, brokers and all foreign holders, more than 90 per cent of the common stock was in the hands of individuals. Corporations held only 1.1 per cent.

New!

Hauserman Steel

Movable

Partitions

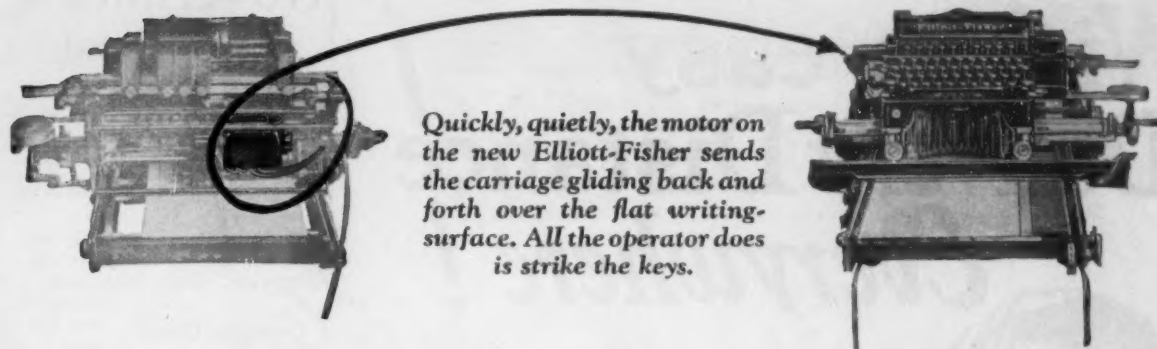
PATENTS APPLIED FOR

ARE TOTALLY DIFFERENT
A type for every purpose and the
most for your money in any grade
Largest Steel Partition Mfrs.

BRANCHES IN PRINCIPAL CITIES
Send for complete
line story

THE E. F. HAUSERMAN COMPANY 6811 GRANT AVE. CLEVELAND, O.

When writing to ERNST & ERNST and THE E. F. HAUSERMAN COMPANY please mention Nation's Business



Quickly, quietly, the motor on the new Elliott-Fisher sends the carriage gliding back and forth over the flat writing-surface. All the operator does is strike the keys.

Perfected!

A new Elliott-Fisher Machine that is automatic and electric!

*All present features have been retained—
electricity has been added*

NOW power does what hands once did. Zip . . . zip . . . quickly, quietly . . . the motor on this accounting machine sends the carriage gliding back and forth over the flat writing-surface. All the operator does is strike the keys. Electricity does the rest.

This new machine, known as the Automatic Electric, is the latest triumph of Elliott-Fisher engineers. In perfecting it, they have retained all the exclusive Elliott-Fisher features which have been proved by years of experience. Nothing has been lost. Electricity has been added.

The new Elliott-Fisher Automatic Electric is simple in construction without any complicated attachments. It has the extreme durability for which Elliott-Fisher machines have always been noted.

Would you like to see the new Automatic Electric—see what it does and how it can be used in *your* accounting department? Say the word and we'll be glad to arrange for a demonstration. *Just write*—Elliott-Fisher does the rest—*just right*. Elliott-Fisher Company, 342 Madison Avenue, New York, N. Y.

Some Elliott-Fisher Automatic Features

- | | | |
|---|--|---|
| 1. Automatic Carriage Return Right and Left. | 6. Automatic Column Tabulation. | 10. Automatic Decimal Spacing. |
| 2. Automatic Carriage Return Forward and Back. | 7. Automatic Accumulation of Column Totals. | 11. Automatic Proof of Balance Written—Star Signal. |
| 3. Automatic Line Spacing. | 8. Automatic Addition, Subtraction or Neutral for Cross Balances simultaneous with Automatic Accumulation of Column Totals up to 29. | 12. Automatic Audit Sheet. |
| 4. Automatic Circuit Breaker. | 9. Automatic Elimination of Computation in any column position desired. | 13. Automatic Combination of Related Records. |
| 5. Automatic Starting and Stopping of Electric Motor. | | 14. Automatic Carbon Feed. |
| | | 15. Automatic Alignment of Forms. |

Elliott-Fisher

AUTOMATIC ELECTRIC

Within easy Delivery Distance *Everywhere!*



Electric Ventilation for

Stores
Offices
Shops
Factories
Garages
Warehouses
Foundries
Mills

and scores of other places

When you want ventilating equipment, you want it quick.

That's why complete stocks of American Blower ventilating apparatus are carried by the leading electrical jobbers in all principal cities.

Electrical and ventilating contractors everywhere handle and install American Blower fans and blowers for stores, offices, shops, factories, garages, homes and countless other installations.

Proper ventilation pays and pays well—you can't afford to be without it any longer.

Your local contractor will gladly quote you on installing American Blower Ventilating equipment. The cost is surprisingly low.

AMERICAN BLOWER COMPANY, DETROIT
Branch Offices in All Principal Cities
Canadian Sirocco Company, Ltd., Windsor, Ont.



American Blower (532-A)
VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT
Manufacturers of all Types of Air-Handling Equipment Since 1881

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable, the title or serial number, the source, and the purchase price are included in the item.

GEORGIA CLAYS, properly mined, refined and blended, can be utilized in the manufacture of chinaware, tiling, high-grade refractories, and ornamental face brick and can be used to displace to some extent imported clays, announces the Bureau of Mines, after completing a technical study of Georgia clays in cooperation with the Central of Georgia Railway.

The investigators found, the Bureau reports, that, by the use of proper washing methods, the Georgia clays can be washed free from ma-

GEORGIA CLAY



terial that causes dark specks in white ware. Many clays which burned to an undesirable cream color could be produced white enough to meet commercial requirements, the Bureau explains, if the proper care were taken in their mining and refining. A serious problem in connection with the use of sedimentary clays in white ware is the high bisque loss and excessive shrinkage, difficulties which, the Bureau finds, can be largely overcome by proper body mixes and by blending of the clays.

These findings are of considerable industrial importance, the Bureau believes, because supplies of the best fire clays of Pennsylvania, Maryland, Ohio, and Kentucky within reach of the railroads are decreasing and the average quality of the fire-clay refractories classed as No. 1 has fallen off within the last fifteen or twenty years. That statement is qualified by the Bureau with saying that there are fire clay refractories on the market at the present time as good as any formerly marketed.

The results of this investigation are included in Bureau of Mines Bulletin 252, Beneficiation and Utilization of Georgia Clays, copies of which are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents each.

A CONSIDERABLE PROPORTION of certain varieties of Florida oranges and grapefruit is now colored with a gas formed by the incom-

Citrus Fruit Now Colored With a Gas

plete combustion of kerosene or similar petroleum product, says the Department of Agriculture. Explaining that the practice was begun in California several years ago, the Department declares that this coloring of citrus fruit which has attained physiological maturity without taking on the color generally associated with ripeness is obviously a legitimate practice.

In response to requests from citrus growers of Florida, the Department made experiments with a view to adapting the coloring process to conditions in that state. In the course of the experiments, the Department reports, it was found that grapefruit and oranges can easily be colored with the exhaust from a gasoline engine, and with ethylene, as well as the gas formed by the incomplete combustion of kerosene or a similar petroleum product. Grape-

*The Graybar Tag, under which
60,000 electrical supplies are shipped*



What a cigar store Indian^{*} taught us about the elec- trical supply business

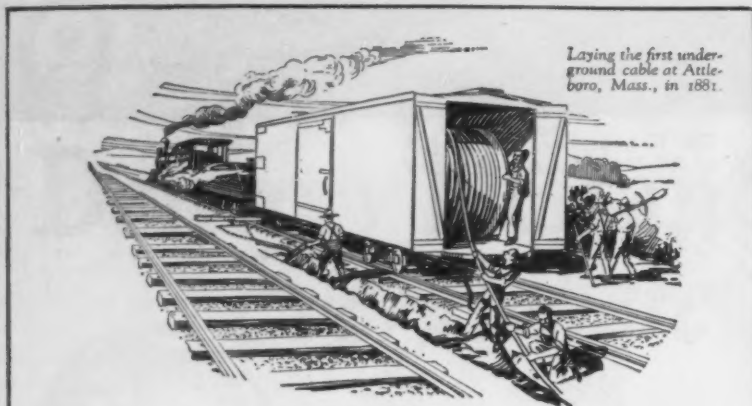
THE location of a new cigar store is wisely selected, now as in the past, after a count has been made of the number of people who pass the point under consideration.

Herein is one answer to the question, "Why fifty-five Graybar Electric distributing houses?"

"The number of people who pass that point"—that is, people requiring electrical supplies—enters into our basis of selection too, because it is an index of the point where we can be of greatest service.

Just one fact of many explaining why you find Graybar Electric quality supplies where you want them and when you want them.

**The cigar-store Indian was a well known figure in the old days when the Western Electric Supply Department, now Graybar Electric, started building up its nationwide distributing system.*



The first underground wires

THE telephone was scarcely five years old when its sponsors, looking far into the future, essayed the first trial of underground telephony. The first conversation through an underground cable was one-fourth mile in length, in 1881. But it was not until twenty years later that the first long distance underground cable came into actual use.

From 1901, however, progress was rapid. Today, overhead wires have disappeared in many cities. Of its total of 50,000,000 miles of wire, inter-connecting its millions of telephones, the Bell System has 30,000,000 miles underground, representing an investment of \$524,000,000 in conduits and cables.

This nation-wide plant, and its nation-wide service underlie Bell System securities.



The stock of the A. T. & T., parent company of the Bell System, can be bought in the open market, to yield a good return. Write for booklet, "Some Financial Facts."

**BELL TELEPHONE
SECURITIES CO. Inc.**

D.F. Houston, President
195 Broadway NEW YORK



"The People's
Messenger"

HOME—Fifty Years Hence! What Will It Be?

PROFESSOR GERALD WENDT, Director of the School of Chemistry and Physics of Pennsylvania State College, will answer this question in the August stranger-than-fiction number of NATION'S BUSINESS.

His prophecies are based on scientific fact. They sound like wild dreams! Our floors will be made of rubber, artificial leather or cellulose products, he says. Furniture will be made of molded plastics instead of wood. Each home will have its "news room," where radio will show by sight and sound the great events actually going on in the world! And that's just the beginning. Don't miss the August NATION'S BUSINESS.

fruit colors more rapidly than oranges, which begin to show the desired color after forty-eight to seventy-two hours of treatment.

The results of the experiments are included in Department Bulletin No. 1367, Coloring Citrus Fruit in Florida, which is obtainable free from the United States Department of Agriculture, Washington, D. C.

A LIST OF BREEDERS of Chinchilla rabbits, a list of breeders of other utility rabbits, and a list of breeders of fancy rabbits have been compiled by the Biological Survey. The combined lists include about 4,000 names arranged alphabetically by states, with symbol letters opposite each name indicating the kinds of rabbits kept.

Breeders of Rabbits Are Now Listed

Copies of the lists are obtainable free on request to the Biological Survey, United States Department of Agriculture, Washington, D. C.

TO PROVIDE an accurate measure of the comparative serviceability of chrome retanned and vegetable tanned leathers, the Bureau of Standards has begun tests of samples of leather supplied by three cooperating tanners. From the five hundred service tests to be made, information will be obtained on chrome leather lightly retanned in order to color the grain, on chrome

Tannages of Sole Leather to Be Tested

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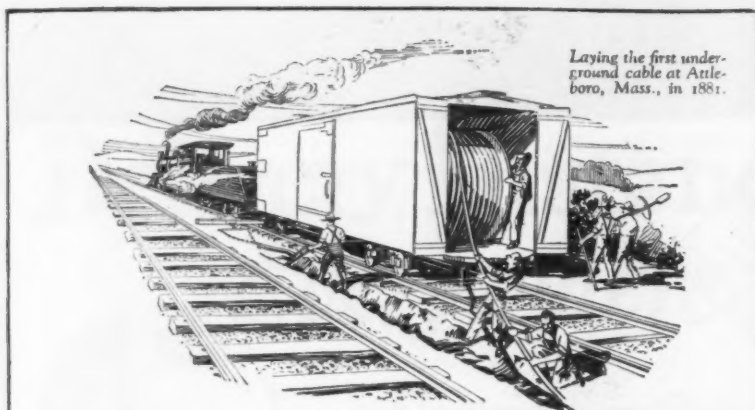
leather of medium retannage, and on chrome leather thoroughly retanned and partly filled with vegetable compounds, which will show, the Bureau believes, the extent to which the added wear resistance of the chrome tannage may be utilized in a retanned leather.

IN COOPERATION with the Treasury Department, the Bureau of Efficiency and Crane & Company, the Bureau of Standards is studying means for improving the wearing quality of United States paper currency. The life of a \$1 bill, which constitutes the greater part of our paper currency, had been continually decreasing, the Bureau explains, and by 1924 its average life was only six months.

New Paper to Prolong Life of Currency

In the last fifteen years the use of paper currency has increased threefold—a circumstance which, with the reduced durability, has made necessary the annual manufacture of more than 1,000,000,000 new bills to replace the worn-out currency. This annual replacement was accomplished at a cost of \$4,000,000 the Bureau says.

The paper-making processes for the purpose of this investigation have been established on a semi-commercial scale in the experimental mill at the Bureau of Standards. Of the results obtained, the Bureau says that service records of the paper currency are available so far for the old type of paper only, but that the records show the average life of the bills has been increased to ten months, traceable mainly, the Bureau believes, to resumption of glue surface sizing by the Bureau of Engraving and Printing and to modification of the all-linen fibers with an admixture of 25 per cent of cotton. In addition to meeting the increased demand for paper currency with limited expenditures, the Bureau believes that this investigation will be of value in the general technique of paper-making.



The first underground wires

THE telephone was scarcely five years old when its sponsors, looking far into the future, essayed the first trial of underground telephony. The first conversation through an underground cable was one-fourth mile in length, in 1881. But it was not until twenty years later that the first long distance underground cable came into actual use.

From 1901, however, progress was rapid. Today, overhead wires have disappeared in many cities. Of its total of 50,000,000 miles of wire, inter-connecting its millions of telephones, the Bell System has 30,000,000 miles underground, representing an investment of \$524,000,000 in conduits and cables.

This nation-wide plant, and its nation-wide service underlie Bell System securities.



The stock of the A. T. & T., parent company of the Bell System, can be bought in the open market, to yield a good return. Write for booklet, "Some Financial Facts."

BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK

"The People's Messenger"



HOME—Fifty Years Hence! What Will It Be?

PROFESSOR GERALD WENDT, Director of the School of Chemistry and Physics of Pennsylvania State College, will answer this question in the August stranger-than-fiction number of NATION'S BUSINESS.

His prophecies are based on scientific fact. They sound like wild dreams! Our floors will be made of rubber, artificial leather or cellulose products, he says. Furniture will be made of molded plastics instead of wood. Each home will have its "news room," where radio will show by sight and sound the great events actually going on in the world! And that's just the beginning. Don't miss the August NATION'S BUSINESS.

fruit colors more rapidly than oranges, which begin to show the desired color after forty-eight to seventy-two hours of treatment.

The results of the experiments are included in Department Bulletin No. 1367, Coloring Citrus Fruit in Florida, which is obtainable free from the United States Department of Agriculture, Washington, D. C.

A LIST OF BREEDERS of Chinchilla rabbits, a list of breeders of other utility rabbits, and a list of breeders of fancy rabbits have been

Breeders of Rabbits Are Now Listed

compiled by the Biological Survey. The combined lists include about 4,000 names arranged alphabetically by states, with symbol letters op-

posite each name indicating the kinds of rabbits kept.

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PLANS FOR A NATION-WIDE CAMPAIGN to improve the quality of raw hides and skins used in making leather were outlined by the United

A Campaign to Get Better Hides and Skins

States Department of Agriculture and approved at a conference of farmers, cattlemen, dairymen, butchers, hide dealers, tanners, and shoe manufacturers. Millions of dollars are annually lost to producers of the raw material and consumers of the finished leather goods, the Department explains, because of imperfections in raw skins and hides traceable to faulty skinning and curing, careless branding, and the effects of diseases and parasites.

The Secretary of Agriculture, Mr. Jardine, told the conference that 300,000,000 pairs of



shoes are bought annually in this country at a cost of more than \$1,500,000,000. Of the possibilities of avoiding waste he said:

I hope that a cooperative basis for operating can be devised that will enable the producer to get a price that will encourage him to take more pains in skinning his animals and curing the hides than he feels is possible under present circumstances, or that he will be able to get shoes that will wear longer and harness that is more durable and less expensive. In other words, if we are going to reach our objective we should put out better goods at a better price, which will probably encourage demand.

The approved plans include a committee on marketing and classification of hides, and this committee will attempt to develop a system of marketing and classification that is fair to all interests. With the results achieved by the conference in mind, the Department is hopeful that the quality of raw hides and skins for leather making will be improved.

FEW WOOD CONSERVATION MEASURES are more productive of immediate and appreciable savings of valuable raw material than the recovery of pulp fiber

Pulp Lost in "White Water" to Be Recovered

from the "white water," according to Vance P. Edwardes of the staff of the United States Forest Products Laboratory at Madison, Wisconsin. Of the possibilities of savings of pulp, Mr. Edwardes said:

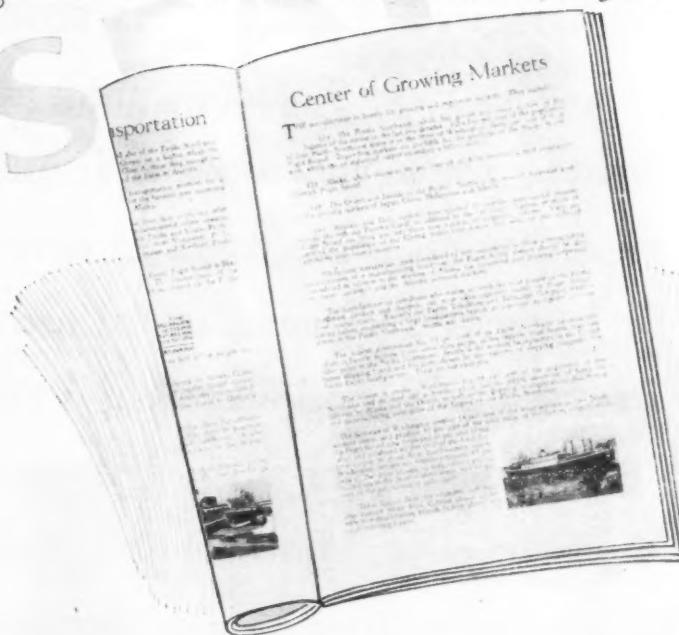
The "white water" which flows from the paper machines in the paper mill is well named "white" for a nation-wide survey has disclosed that it is so heavily charged with fiber that 7 per cent of the wood pulp entering the average paper mill goes down the mill sewer in the form of white water. A mill making one hundred tons of paper a day thus loses, needlessly it now appears, 7 tons of fiber daily. Good stock saving equipment will recover 90 per cent of this loss.

At present not only is this fiber lost in white water a cause for concern by the paper mills from the economic point of view, but it is also true that the authorities of various states regard the fiber turned into streams as being harmful in its effect on stream life. Recently a movement has been started by which the mills, state health authorities, and Federal Government would cooperate on the problems of disposing of paper mill effluents.

The value of recoverable fiber saved by mills installing fiber-saving equipment may

Business Men MANUFACTURERS Investors —

Send Now For a Copy of This New Pamphlet of Authentic Data About Seattle "Where a World City HAD to Be"



How much authentic, dependable, up-to-the-minute information have you about Seattle, Washington?

In one generation Seattle has grown from an isolated seaport to a city of 400,000, and has become the financial, commercial, industrial, transportation, shipping and distributing center of the Pacific Northwest. It is the chief port of America's nearest gateway to the Orient. Its factories turn out \$200,000,000 worth of products annually.

As industry and distribution decentralize Seattle assumes a place of first importance to the manufacturer or distributor interested in the Pacific Northwest and the Orient.

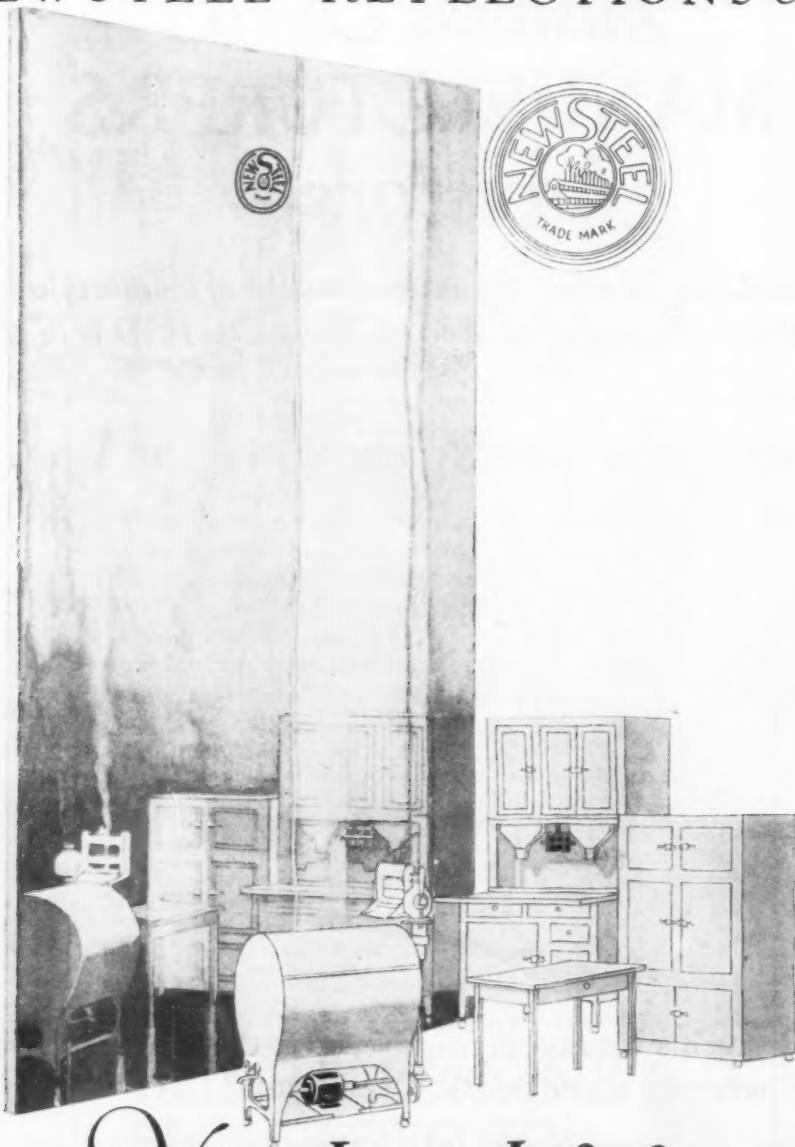
Seattle asks merely that you inform yourself as to why Seattle is what it is today; and whether or not it is the logical place for manufacturing plants, branch factories and distributing bases.

If you are interested in knowing FACTS about Seattle dictate a request now for the pamphlet: "Seattle, An Industrial, Commercial and Investment Opportunity." If you desire information regarding any specific industry or as to a distributing base for the North Pacific region, mention it and receive accurate data. Address Room 108, Chamber of Commerce, Seattle, Washington.

Seattle

Metropolis of the Pacific Northwest

NEWSTEEL REFLECTIONS No 4

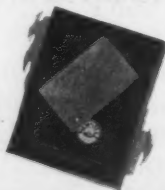


Note Long Life for household appliances

THE good name of a household appliance is governed by the service it renders. To render that service month after month and year after year requires more than design and manufacturing skill. It requires a basic material that will readily withstand the wear of the constant use given these appliances. And this material should, in addition, permit an economic fabrication and, by their uniformly smooth surfaces, assist the work of stain and enamel in the last finishing touches of homey desirability.

Yet you can easily say that above all comes Long Life—and now it is here in Newsteel Sheets to make good names for household appliances.

Newsteel Sheets are made for those manufacturers requiring a material about which there is not, and never can be, a question of substitute or compromise. The story of this precision is told and illustrated in the Newsteel Catalog. A copy will be forwarded upon request.



THE NEWTON STEEL COMPANY

YOUNGSTOWN, OHIO

When writing to THE NEWTON STEEL COMPANY please mention Nation's Business

run as high as \$500 per day. The time required for pulp-saving equipment to pay the costs of its installation is normally well under a year. White water recovery offers both an immediate and a long-time benefit inasmuch as every ton of fiber intercepted on its way to the sewer means an equal amount of standing timber conserved for future use.

More Complete Utilization of Wood Sought

TWO DEFINITE PROJECTS in behalf of a more complete utilization of lumber have been undertaken as a result of the meeting of the National Committee on Wood Utilization, according to an announcement by Herbert Hoover, who was chairman of the meeting.

These projects include the promotion of the use of short lengths, odd widths and odd lengths of lumber, and a campaign for the better seasoning and piling of lumber.

Providing a market for short and odd lengths and odd widths is one of the most important of the wood utilizing problems in the soft-wood industry, declares Axel H. Oxholm, director of the National Committee on Wood Utilization, who contends that the consumer has to pay for the waste.

The loggers and manufacturers, in cooperation with distributors and consumers, are organizing a special committee to study the best methods for improving the seasoning and piling of lumber, and they have recommended that the committee compile information on the best known methods and on new methods of lumber seasoning and handling. This committee will include representatives of lumber manufacturers, wholesalers, retailers and industrial users.

Paper for Lining Export Packing Cases

A TYPE OF PAPER known as duplex asphalted kraft has been found best suited to the severe requirements of paper used for lining export packing cases, reports the Bureau of Standards after investigating the waterproofness and strength of several kinds of paper.

This duplex asphalted kraft paper consists of two sheets of strong kraft wrapping paper cemented together with a layer of asphaltum as the waterproofing medium. The paper has sufficient strength, the Bureau says, to withstand the many sudden shocks and strains incident to overseas transportation, and is water-resistant "to an almost unbelievable extent."

The investigation is fully described in Technologic Paper No. 312, copies of which are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

A Revision of Crop Acreages from Year 1866

ACREAGE ESTIMATES for the principal crops in all states, beginning with 1866, are being made by the Department of Agriculture in order to provide a more accurate measure of the important changes in American agriculture during the last sixty years.

The records of crop area, production, and yields collected by the Department when first undertaken, were susceptible, the Department explains, to changes in classification and to other irregularities incident to a new project for which methods were developed as the work progressed. The revision will place the estimates on a more useful basis for research.

As an example of the methods worked out by the Department for analyzing the early records and for putting the estimates for all years on a comparable basis, the estimates of the acreages of crops in New York State for the years 1866 to 1919 have been studied, and tentative changes have been made. The revised estimates for New York have been published in Department Circular 373, copies of which are obtainable free from the Department of Agriculture, Washington, D. C.

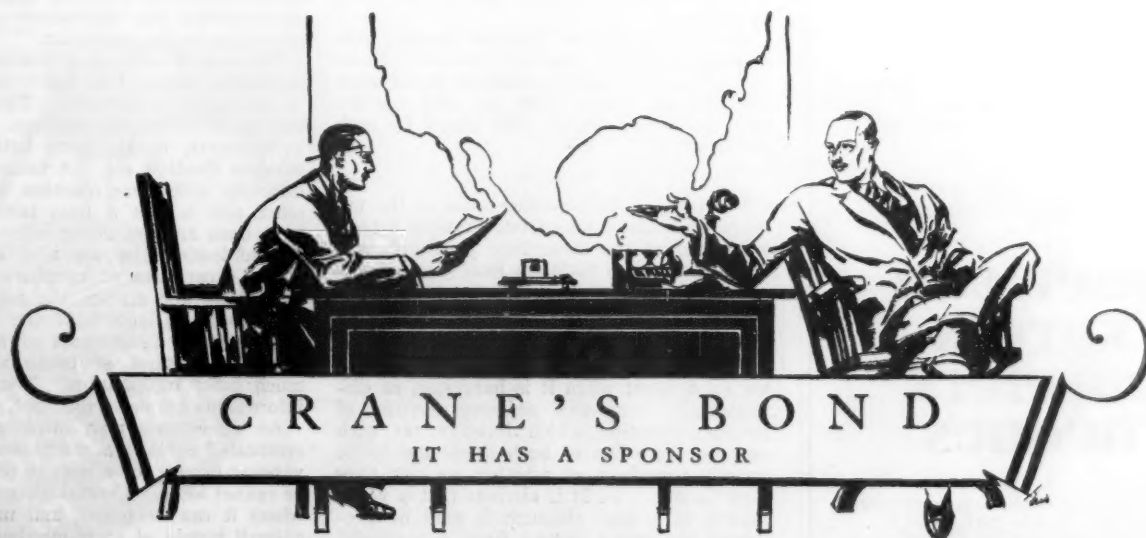
†
“*I don't know what it is. But I know it is good.*”

The treasurer, handing back the sheet of Crane's Bond to the purchasing agent, approved the Company's new letterhead with this wise comment.

He knew nothing about the technique or materials of paper-making. He didn't know anything about rag stock or wood pulp—but he knew the voice of quality as it spoke out of the beautiful, strong, crisp sheet of Crane's Bond. And he knew that that was the right voice for a good house to use when it had something to say.

Made of 100% *new white rags*, Crane's Bond is as fine a paper as can be made for business purposes. It is water-marked and dated at Dalton, and it carries with it the name “Crane” which enjoys the high esteem of large manufacturing corporations, business institutions, the major stock exchanges, and twenty-two governments.

To the executive in charge of purchasing: Ask your printer, lithographer, stationer, or die stamper to let you examine sample sheets of Crane's Bond in white or any of nine colors.



CRANE & COMPANY INC. DALTON, MASSACHUSETTS

When writing to CRANE & COMPANY, INC., please mention Nation's Business



To American Travelers Going Abroad

Be sure of the service value and the safety of your Travel Funds.

Before you leave American soil change your American dollars into

American Express Travelers Cheques

These Cheques are the most convincing pieces of paper in the world.

For more than 35 years American travelers abroad have used them with confidence and satisfaction as spendable coin in any country. To banker or merchant in foreign cities—to servant or guide in the most out-of-the-way places, their meaning is known, their currency value established. Their sky-blue color never deceives.

They insure you against the loss or theft of the travel funds you invest in them. Each Cheque bears the signature of the rightful owner. To use it the owner simply signs the Cheque a second time, in the presence of the acceptor.

Travelers who carry these Cheques command the world-wide service of the American Express international organization with offices and personal representatives, round the world—a personal service, endless in variety, and always most helpful to Americans in foreign lands.

Safe and Serviceable, convenient to carry, handy to use, American Express Travelers Cheques are an absolute necessity to the American traveler abroad.

American Express Travelers Cheques are issued in denominations of \$10, \$20, \$50 and \$100. They cost only 75c for \$100 worth.

FOR SALE AT 22,000 BANKS
AND EXPRESS OFFICES

American Express Travelers Cheques

Secure your steamship tickets, hotel reservations and itineraries; or plan your cruise or tour through the American Express Travel Department

News of Organized Business

By ROBERT L. BARNES

THE Natural Resources Production Department of the Chamber of Commerce of the United States has issued a pamphlet entitled "Forest Yield Taxes, the Present Situation and Trends in Taxing Growing Forests." The pamphlet says:



Close to the front among the industries on which our national welfare and prosperity are based stands "forest products." This industry with its various branches engaged in production, harvesting and fabrication, spreads over 38 states and provides employment for half a million wage earners.

Its annual production of lumber is valued at one and a half billion dollars, while naval stores, pulpwood and other products add many millions to the total.

Supplying the raw material to maintain this industry has made such demands on our reserves that recent estimates indicate that 70 per cent of the original forests are gone, and that present forest growth is only one-fourth of the annual cut.

The absence of forestry policies to encourage the replacing of old crops with new has resulted in the virtual abandonment of large areas of forest land. At present there are over eighty million acres of cut-over land, without seed trees, not producing, and classed as waste lands. There are over one hundred and thirty-five million acres of inferior second-growth timber which is not considered merchantable.

If an adequate supply of domestic timber is to be developed for future needs it is essential that these areas be brought back into production.

The Chamber of Commerce of the United States has called attention to the situation. In its Referendum No. 42, it pointed out the duty of the Federal Government and the states in cooperatively reforesting these waste areas and in protecting forests from fire. It also indicated the possibilities for individual enterprise in growing crops of trees—"commercial forestry"—and pointed out some of the obstacles, important among which is taxation.

On this subject the Chamber through referendum expressed itself as follows: "Taxation of growing timber should be based upon the principle of the yield tax with reasonable uniformity among the states in such taxation."

The problem of removing some of the tax inequalities under which our growing forests labor and at the same time providing sufficient revenue to maintain local governments is receiving much attention.

"Yield tax" is considered to be the general term covering the principle of collecting the tax on a forest when it is harvested, as distinguished from the ordinary system of property taxation which levies a tax each year on the value of both lands and forest growth regardless of whether or not they yield income. . . . It is obvious that a year's growth of a tree, although it may be considered the year's income from a particular piece of land, cannot be removed and marketed to satisfy the demands of the tax collector. It is only on large forests that

rotation systems can be applied and an annual revenue obtained by cutting certain areas each year. In smaller tracts, even though handled in the most modern and scientific manner, it is seldom economic to cut a few scattered trees each year. It is logical therefore that forest taxes be on the harvest or yield rather than on an annual basis.

The bulletin also discusses what has been done by some of the states in this line of development. It provides a good basis for constructive thought on this increasingly important subject of "forest yield taxes."

Senior Chambers Aid Junior

THE Organization Service Bureau of the National Chamber has published information about the aid given by senior chambers of commerce to the junior chambers.

Of the thirty-seven replies received in answer to questionnaires, twelve chambers reported that they gave no aid to the junior chambers.

Twenty-five chambers gave aid in several forms. Most chambers gave the use of office space and some help with office expenses, such as paying for a manager, stenographer and postage. Others gave merely the space for an office and for meetings. Several junior and senior chambers pooled their finances, each spending on a budget.

Reorganizing a State Chamber

THE Ohio Chamber of Commerce, founded in 1893, is reorganizing. The members felt it was not reaching its full effectiveness and a reorganization was deemed imperative to broaden its scope and widen its sphere of influence.

The chamber will have, on completion of the reorganization plans, referendum, research and publicity departments. Besides these, there will be a legislative service bureau. Not only by means of referenda and meetings will the chamber keep in touch with its members, but an elaborately organized field department will constantly be in touch with business men throughout the state. The field men will also be at the service of the local chambers of commerce to help them in solving their problems.

Financial Advertisers' Association

AN EXAMPLE of effective trade organization work is The Financial Advertisers' Association, an organization of over 600 members, conducting constant research work and accumulating the experiences of hundreds of specialists in the profession.

The central office is a clearing house of information whose files hold the accumulation of ten years' experience. There are received copies of divers publications, newspaper advertisements, books, form letters, pictures of window displays, etc. A financial firm having difficulty with some question writes to central office and is sent a folio telling what others have done and are doing.

Confidential files are also kept about the actual experiences of members with sellers of advertising and service, the reputation of persons doing business with the advertising and new business departments of financial institutions, the success of tricks and stunts, and much other information. The sources of the information are never divulged.

An advertising man often wants a certain syndicated service, a mechanical device for a window display, or a novelty of some sort that he cannot locate. Central office probably knows where it can be found, and many firms keep a small supply of their merchandise there.

The association gets out a monthly bulletin, a year-book containing reports on the most up-to-date methods of advertising and develop-

Art Metal Steel Shelving costs less than wood, and can be put up in a jiffy.

Art Metal Widesections and Halfsections provide unlimited flexibility of arrangement and can accommodate every size and shape of record.

Art Metal Safes provide the maximum in protection for your records and in adaptability to your business needs. Underwriters' Laboratories label, Class A or Class B.

For the records you want "on wheels"—Art Metal Vault Trucks or Omnibuses from Widesections or Halfsections assembled to meet your needs.

Art Metal Unit Card Index Cabinets are made in an unlimited variety of styles.

There's a new-fashioned Art Metal Steel Desk for every type of office work—more than sixty different models.



SEND for your copy of the Art Metal Catalog. You will find it of inestimable help in solving your office equipment problems.

The First and Final Answer to every office equipment need

THE first answer because the completeness of the Art Metal line—embracing everything from desk trays to safes—permits you to meet any and every equipment need *right from stock*. The *final* answer because Art Metal is not only built to last as long as your business, but designed to keep apace with its growth, as well. You can safely standardize on Art Metal and add perfectly matched units as your needs require. Visit the Art Metal store in your city and let them show you how Art Metal Steel Office Equipment will meet both the immediate and future equipment needs of YOUR office.



Art Metal

STEEL Office Equipment, Safes and Files
ART METAL CONSTRUCTION CO., • JAMESTOWN, N. Y.



Can an Appraisal Be "Too Good?"

Occasionally a property owner raises the question of whether an appraisal can be "too good." The question arises because provable appraisal service costs more than that in which there is an element of opinion or guesswork.

The American Appraisal Company operates on the principle that an appraisal cannot be "too good"—that the making of an appraisal entails a moral responsibility which cannot be overestimated.

The record of The American Appraisal Company for the past thirty years offers abundant testimony of the soundness of this principle. For whatever purpose, insurance, cost accounting, finance, purchase or sale, and many others, an appraisal cannot be too good.

The American Appraisal Co.

MILWAUKEE

PUBLIC UTILITIES - INDUSTRIALS - REAL ESTATE PROPERTIES - NATURAL RESOURCES

A NATIONAL ORGANIZATION

When writing to THE AMERICAN APPRAISAL CO. please mention Nation's Business

ing new business, and a textbook is in the course of preparation.

There are eight committees constantly studying certain questions, such as principles and practices, direct mail, outdoor, street-car advertising, etc. Besides this, special research is conducted.

At the annual convention there is an exhibition of the best advertising produced during the year.

An Airplane Tour

PROBABLY the first airplane goodfellowship tour ever taken by any chamber of commerce was taken in June by the Airplane Goodfellowship Tour Committee of the Kansas City, Kansas, Chamber of Commerce. The itinerary provided for a three- or four-day tour over the eastern half of Kansas. Fifteen planes were used by the party of thirty-five. There was no scarcity of applicants for places on this trip.



American Chamber in Genoa

THE American Chamber of Commerce for Italy has opened a new branch in Genoa. Although there have been local committees in Genoa and Turin for several years, this is the first branch office the American Chamber for Italy has opened and marks a distinct step in the growth of this organization. The address is: American Chamber of Commerce for Italy, Genoa Branch, Piazza Nunziata 17, Genoa (6). The secretary of the office is Mr. Walter E. Ives.

Trade Association Programs

THE Organization Service Bureau of the National Chamber compiled a list of topics suitable for presentation at trade association meetings. The common interests of apparently unrelated groups is large, for though there is much work at trade association meetings done on technical problems that would not interest anyone outside of that particular field; yet, there is a large amount of material that is of interest and importance to all fields.

The list contains seventeen main heads: business conditions, management, simplification, industrial relations, legislation and relation to government. Under these main topics are titles of speeches made at various meetings to be used as suggestions.

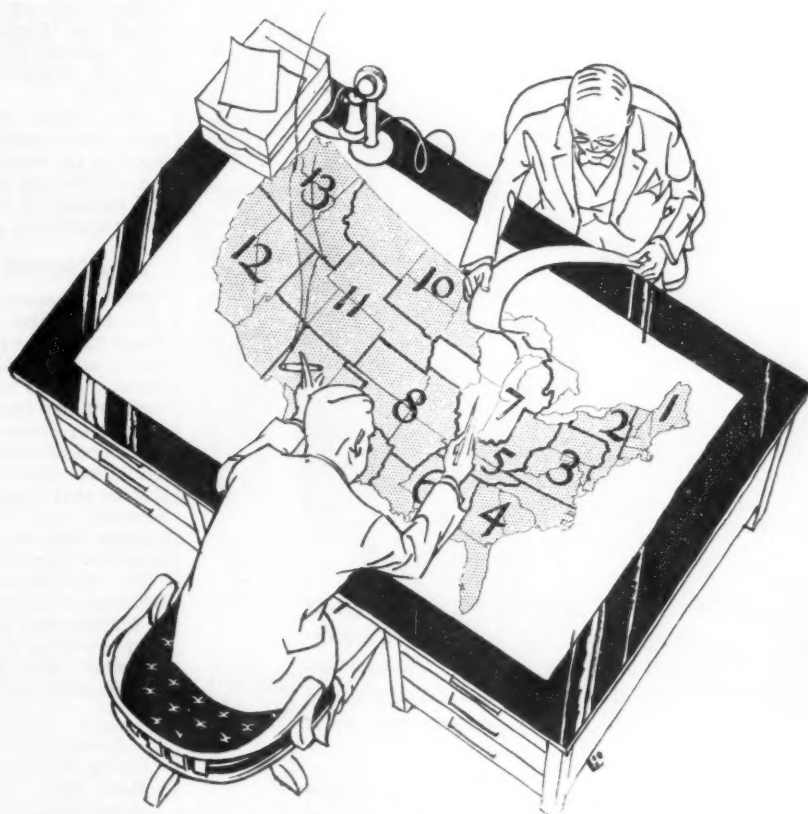
Copies of this list may be obtained from the Organization Service Bureau of the Chamber of Commerce of the United States, Washington, D. C.

Swedish Chamber's New Office

THE Swedish Chamber of Commerce of the United States which, ever since its foundation nineteen years ago, has maintained offices in the Produce Exchange Building, has moved to number 25 Beaver Street, New York City. This change is due to the increase in its business. Since 1913 our exports to Sweden have increased 349 per cent and our imports from there 364 per cent. This is largely due to more direct trading and the elimination of the foreign middleman. The chamber has grown in the same proportion that our trade has.

The most important activity is the establishing of connections between buyers and sellers in the two countries. This does not merely consist in an exchange of names, but, if an article is new and untried, investigation must be made as to the marketing possibilities, information about import duties must be gathered, brokerage charges and warehouse rates are furnished, the financial standing of both parties must be determined, etc.

The chamber is proud of the fact that of



Here is the *High Point* for Sales Quotas and *Low Point* for Sales Cost

ARE you getting your rightful share of business from Zone 7? Here are facts and figures that will aid you in determining the precise percentage of sales that should and can be secured in this richest of all markets in the United States:

✓ Check Your Present Sales Against These Figures

☐ **Do you sell electrical appliances?** Then Zone 7 should yield as many sales as 26 western and southern states, for it has as many residential electric customers as all of them combined—3,095,850.

☐ **Are factories your customers?** Then 22% of your business should come from Zone 7, for it produces 22% of the value of the nation's manufactured products. Balanced against this fact, 18.1% of the crop value is produced here, assuring substantial prosperity based on both agriculture and manufacturing; a point of importance, whatever you sell.

☐ **Do you make equipment for the home?** 21% of all the home owners in the United States are in Zone 7.

☐ **Do builders absorb your products?** Of all the building in the country during 1925, 22.4% was in Zone 7.

☐ **Do you sell foods or any other product with a mass market?** 17.2% of the nation's population is concentrated in Zone 7 possessing 19.3% of the national wealth.

☐ **Are your sales restricted to people of larger incomes?** 20.7% of the income tax returns come from Zone 7. That the population reacts to modern comforts is shown by the fact that they own 21.4% of the nation's motor vehicles.

☐ **Buying activity is the final check.** Bank debits form the best index of that. Outside of New York 23% of the country's bank debits are recorded by the banks of Zone 7.

Here is a market that deserves special attention in any national program. Winning it is not only worth while, but the effort and cost required are reduced to a minimum.

Zone 7 is compact; easy to cover and serve. It occupies but 8.7% of the country's area—Illinois,

Indiana, Iowa, Michigan and Wisconsin. That its transportation for salesmen and merchandise has no equal in the world is indicated by the 2500 package cars that leave Chicago daily.

Moreover, a single advertising medium wields a powerful selling influence throughout the territory. The Chicago Tribune reaches 90% of the families in Chicago's richest districts, 76.5% on the medium districts and 56.6% even in the poorest. There is coverage with no need of using several papers with duplicating circulations. In addition, *The Chicago Sunday Tribune* is read by 60% of all the families in 1151 towns throughout Zone 7!

How other manufacturers have gained their sales quotas for this rich market in a surprisingly short time forms the rest of the story. It is worth the time of any sales executive. May a Chicago Tribune man give it to you?

NOTE:—The statistics above are based on the latest available circulation and population figures, assuming that there are 4.1 persons per family in Chicago.

The Chicago Tribune
The World's Greatest Newspaper

GROW WITH THE TRIBUNE IN 1926

When writing to THE CHICAGO TRIBUNE please mention Nation's Business



CONTEST WINNER

The attractive Wick Hatband Catalog, winner of the March Cantine Contest, was arranged by Mr. George Mulroy of the Geo. I. Dyer Co., New York, and printed by The Diamond Press, also of New York. Enter your next printing job on a Cantine paper in our quarterly contest, closing July first.

E F F E C T I V E

GO THROUGH THE MAIL you yourself receive. Study the pamphlets, booklets even the letterheads themselves. Note the great difference in their impressiveness—which largely determines their effectiveness.

In a dozen different ways, the quality of the paper used influences the impressiveness of every printing job. Remember, cost is based on the results obtained—and in no other way. This is why shrewd advertising executives and printers specify Cantine coated papers for sales literature designed to produce business.

Write for name of our nearest distributor and book of sample Cantine papers. Address: The Martin Cantine Company, Department 356, Saugerties, N. Y. Since 1888, manufacturers of fine coated papers exclusively.

Cantine's COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

222,000

business men like yourself are reading this number of NATION'S BUSINESS.

Have you something to sell to this audience?

Let our advertising department furnish you facts and figures.

NATION'S BUSINESS
Washington, D. C.

When writing to THE MARTIN CANTINE COMPANY please mention Nation's Business

the cases in which it was asked to aid in collecting claims there wasn't one in which the original contract was made by the chamber or where the chamber had been consulted about the reputation of either party. Extensive credit files are maintained and brought up-to-date constantly.

The *Swedish American Trade Journal* presents news items and special articles that are of interest to the membership and subscribers outside the membership on such topics as the industrial and commercial progress of both countries, custom regulations, arbitration, etc.

Progress in Standardization

THE Department of Manufacture of the Chamber of Commerce of the United States has made simplification and standardization a major study particularly as a means to the elimination of industrial waste. The Department has established contacts with 390 industries in their cooperative endeavor to eliminate duplications and excess varieties from their schedules. During the last three years the industries that completed their simplification plans increased from 40 to 126, those actively working rose from 89 to 186, and those not interested decreased from 135 to 42.

The division of Simplified Practice of the Department of Commerce and the Department of Manufacture of the National Chamber have been working in close cooperation, and the following table indicates the progress of the simplification movement:

| Articles | Reduction in varieties |
|---------------------------|------------------------|
| Paving bricks..... | 66 to 5 |
| Metal beds..... | 78 to 4 |
| Metal lath..... | 125 to 24 |
| Milk bottles..... | 49 to 9 |
| Steel barrels..... | 67 to 24 |
| Hotel chinaware..... | 700 to 160 |
| Asphalt..... | 102 to 10 |
| Face brick..... | 39 to 1 |
| Wire field fence..... | 552 to 69 |
| Files and rasps..... | 1,351 to 496 |
| Bed blankets..... | 78 to 12 |
| Hollow building tile..... | 36 to 19 |
| Range boilers..... | 130 to 13 |
| Brass traps..... | 1,114 to 72 |
| Sheet steel..... | 1,819 to 261 |

The National Committee of Wood Utilization at its annual meeting at the Department of Commerce adopted methods of procedure looking toward the solution of the problem of the perpetuation of wood resources through the maximum utilization of all wood from the time it leaves the forest until it becomes the finished product.

A subcommittee of the industry representing all branches (railways, construction, millwork, lumber manufacturers and distributors, loggers, mines, wood containers, plywood and veneer industries, pulp and paper plants, wood chemicals and small dimension stock) made recommendations dealing with a single standard size, and a new short length that were adopted by the general body.

The shovel manufacturers recently agreed to a reduction of 46 per cent in the number of grades manufactured. The actual reduction is from 214 to 121 grades. The simplification was worked out by the manufacturers with the approval of the Simplified Practices Division of the Department of Commerce.

Credit Bureaus Operated

THE OPERATION of a credit bureau by a chamber of commerce is a subject about which there is no general consensus of opinion; however, it is a fact that a number of chambers do operate them and consider them a worthwhile part of their activities. There are fifty-two chambers that operate successful credit bureaus.

The Fort Wayne Chamber's Credit Rating Association was organized in 1917 and at present has 300 members to whom it supplies information on more than 140,000 names. The

bureau has six operators, eleven telephone lines connecting with the larger stores, besides four trunk lines. The bureau provides, in addition to its regular credit-rating service, collection service and letters. It is self-supporting and has built up a \$5,500 surplus. The budget is about \$15,000 annually.

Manitoba Studies Resources

THE Industrial Development Board of Manitoba at Winnipeg, Canada, has enlisted the services of trained university men in preparing a series of publications on the natural resources of the province. The two studies already published, "Mineral Resources of Manitoba" and "Fur and Game Resources of Manitoba," were compiled with the aid of men lent by the University of Manitoba and the Manitoba Agricultural College. The purpose of these studies, as given by the Industrial Board, is "after the details of the resources of the provinces have been assembled, it will be possible to deal with the steps that may be taken to further industrial development."

Philippine Tabloids

THE American Chamber of Commerce of the Philippine Islands has published some very interesting figures on the trade of the islands.



The fifteen main exports of the islands amount to nearly a quarter billion pesos (a peso's par value is fifty cents). The two main items are sugar with \$2 and a half million pesos' value and manila hemp with nearly 50 million pesos' value. This is the only region in the world that produces manila hemp

of the commercial grade, according to the chamber. Sixty per cent of the production goes to the United States.

The field for exporters to the Philippines is large. The Philippines have the greatest per capita wealth of any country in the far east, the pamphlet states. Imports of wheat and flour are equal to the production of 200,000 acres. The cotton imports represent an equal area devoted to the growing of the product. One million cigarettes are exported each year to the Philippines from the United States. Another small item is 200,000 crates of apples.

There are over 63,000,000 acres of public domain in the islands while there are only 10,000,000 acres under private ownership, of which half is under cultivation. These figures give but a slight idea as to the importance of and prospects of the development of the islands.

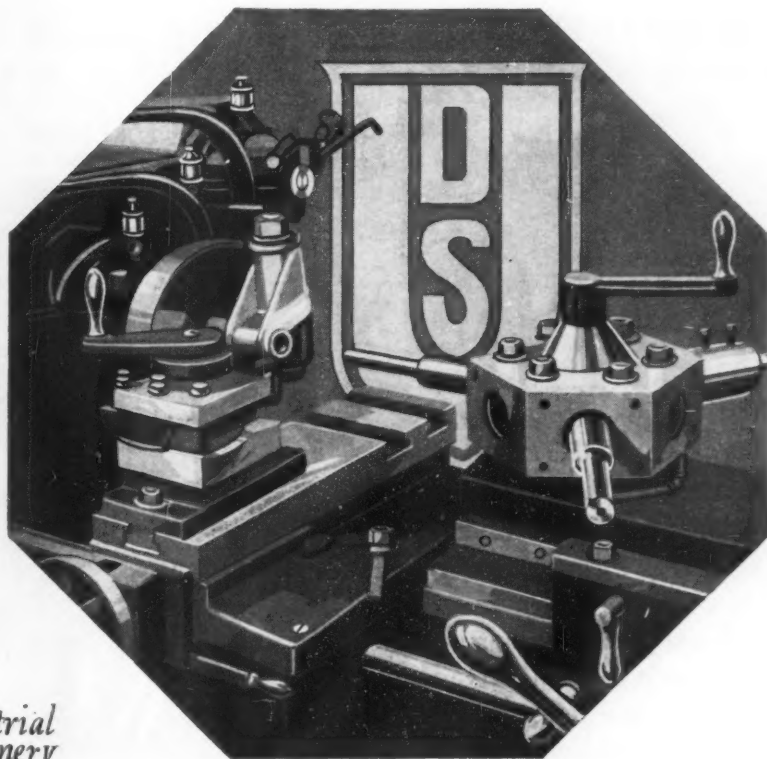
The American Chamber of Commerce in the Philippines at Manila, P. I., will undoubtedly supply this pamphlet to anyone interested in it.

Coming Business Conventions

Prepared from information available May 25

| Time | Place | Organization |
|-------|------------------|--|
| July | | |
| 6-8 | Asheville, N. C. | Southern Newspaper Publishers Association. |
| 6-9 | Buffalo, N. Y. | National Retail Tea & Coffee Merchants Assn. |
| 12-15 | Philadelphia | Engraving Association. |
| 12-15 | Philadelphia | National Leather & Shoe Finders Association. |
| 12-16 | Dallas, Texas | American Institute of Banking. |
| 22-24 | LaGrande, Ore. | Pacific Northwest Real Estate Association. |

Conventions for which either the date or the place were not available: Aeronautical Chamber of Commerce of America, Incorporated, American Association of Wholesale Hatters, American Photo-Engravers Association, Manufacturers Aircraft Association, National Furniture Warehousemen's Association, National Team and Motor Truck Owners Association, National Wallpaper Wholesalers Association, Southeastern Millers Association.



Industrial Machinery

One of a series of advertisements illustrating the many uses of Union Drawn Steels.

AMERICA'S greatness is backed by the ideals *and* integrity of its large industries.

UNION DRAWN
STEEL COMPANY
Beaver Falls, Pennsylvania

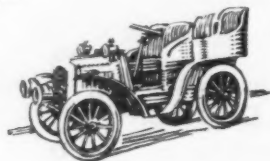
When writing to UNION DRAWN STEEL COMPANY please mention Nation's Business

WORTHINGTON



*Every WORTHINGTON
PUMP backed by a
continuous, unequalled
Record of Achievement*

Centrifugal pump building is as much of an art as it is a science. To build good pumps one must have wide experience in building a large variety of pumps.



Worthington shipped its first centrifugal pump in 1901. This pump was of the double-suction split-casing type—considered by many as a more recent development.

From these early days until the present, Worthington's experience has been all-inclusive. It has never tried to restrict its activities. It has never hesitated to venture into uncharted fields. In fact Worthington has built—and is building—more pumps to meet new and difficult conditions of service than any other manufacturer. Such pumps require the highest grade of hydraulic engineering and the most complete manufacturing facilities for their successful completion. They have involved many innovations in design later applied as standard construction in commercial pumps.

When you come to Worthington for a pump you are therefore assured of the soundest principles of the art—principles and methods of construction which have been previously used and found good and worthy of general adoption. Nothing is left to chance. Worthington knows exactly what its centrifugal pumps will do before they are built.

WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
7780-2 BRANCH OFFICES IN 24 CITIES

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business

Chips from the Editor's Work Bench

By RAYMOND C. WILLOUGHBY

NOW THAT the British customs service has announced that no duty on silk or artificial silk articles brought in by tourists will be charged, there would seem no further cause for postponing that trip abroad, even though this comforting news is accompanied with official finger-shaking, for "failure to declare may expose a passenger to a fine and to confiscation of the articles on the ground of smuggling." One thing is sure, confiscation of "the articles" would expose the tourist and a pier shed is certainly no theater for that sort of revelation. Legal and formal exposure is something more than a mere



routine of custom and duty. It requires a Ziegfeldian sense of values. British customs inspectors are hardly the men for glorifying the American gadder.

EVERY pedestrian worthy of the name knows that motor cars were not so many fifteen years ago as now, but that withered fact is brightened with fresh figures from the General Motors Corporation, showing that the nine years from 1910 to 1919 were required to sell the Corporation's first million cars, and only one year to sell the last million produced—a statistical note to assure again that with motors, as with money, a manufacturer usually finds the first million the hardest.

CONSUMPTION of flour in the United States has declined 24 per cent since 1879, says the Department of Agriculture, and in seeking the reason it finds, for one thing, the increasing ability of the American people to have a more varied diet—Americans do not live by bread alone, and they are now eating less bread than they once did.

The Department's figures show that in 1904 each American used 5.4 bushels of wheat, but that the average current consumption has shrunk to 4.3 bushels. The bare figures do not make clear that flour is now used more efficiently, and that the quality of wheat has been steadily improved—two circumstances to explain the baking of bread with less flour than "the kind that mother used to make." As the Department puts it,

other ingredients than flour may now form larger proportions in the composition of the commercial wheat loaf. On this point definite data are not available. It is worth noting, however, that according to the census of 1923, the baking industry, besides consuming 31,000,000 barrels of flour valued at \$218,000,000 used other ingredients such as eggs, butter, lard, milk, fruit and nuts valued at \$265,000,000. These other ingredients undoubtedly tended to satisfy wants which otherwise would have meant a larger draft on the flour supply.

There need be no misgivings about the place of bread in the American home, what-

ever the figures seem to suggest, for it still fortifies plain and fancy fare, and will continue to pass in any company.

FRESH facts for determining the importance of parking space are offered by four department stores in the "loop" district of Chicago. Checkers stationed at entrances to the stores asked shoppers the means of transportation used in getting to the stores. Of 15,229 persons questioned, 13,549 said they used public transportation systems, 964 arrived by chauffeur-driven automobiles, and 716 came in automobiles which they drove themselves. On streets near the stores 452 cars were parked.

Those facts may suggest that the availability of parking space is not decisive in determining store patronage, or they may seem positive confirmation of belief that with a motor, as with a murder, the only difficult problem is where to put the body.

NOW THAT the vacation season is wide open, it's just as well to remember that a nation is known by the tourists it sends.

REMEMBER, way back, the frosty morning wash-up in a tin basin on the back steps? Remember the swimming hole in July, the delight you took in it, and how you blistered your back drying it in the sun? Remember Saturday night, when mother brought the wooden wash tub and placed it near the kitchen stove? How the tub leaked water over the floor? How your front toasted while your back was cold? Remember how thoughts of inconvenience and discomfort caused you to delay or neglect personal duties?

Answers in the affirmative and in the negative to these intimate questions of the Department of Agriculture probably could be collected in considerable mass, but the Department is sure that

with millions these things are still realities. The 1920 census reports 643,899 of the 6,448,343 farms in the United States as having water piped into the house. This is only 1 farm out of 10, and means that 5,804,444 farms, or 9 out of 10, had little or no plumbing.

If the statistics are "discouraging," as the



Department concludes, there is some consolation in knowing that "American farmers have more plumbing and better plumbing than any other agricultural people in the world," and that the American farmer "will have more plumbing as he better realizes what it means in convenience, usefulness, comfort and health; as he learns that plumbing may be simple and yet sanitary; that it may be sanitary and yet not unduly

expensive; that it may be inexpensive and yet durable—lifetime plumbing—provided it has good care." Held up to view in the light of the Department's glowing appraisal, the plumber's torch is as wonder-working as Aladdin's miraculous lamp.

THAT PROPOSAL to take the regulation of radio from the Department of Commerce and give it to a commission answerable to Congress attests earnest concern to prevent any partisan advantage. And certainly there could be no simpler counsel for purifying the air of politics.

ASMOCK by any other name would probably look as well, though its present popularity is evidence enough that the atmosphere of the studio is likely to make a garment more attractive to women than the



atmosphere of the kitchen. Perhaps sales of aprons, too, could be accelerated with a time exposure to the artistic temperament.

ABOUT four million Americans cast off their moorings and sought new houses during the May moving season. For this unwillingness to stay put another year they paid approximately \$68,000,000. Eye filling is the item of \$20,000,000 charged by truckmen for the transportation of household goods. And of course, the change of scene inspired the purchase of new furniture and new utensils, these two items accounting for \$40,000,000 in the total estimated amount of the bill. Plumbers and fitters got \$4,000,000 for their services, and restaurants prospered by another \$4,000,000 paid for meals while household cooking facilities were out of commission.

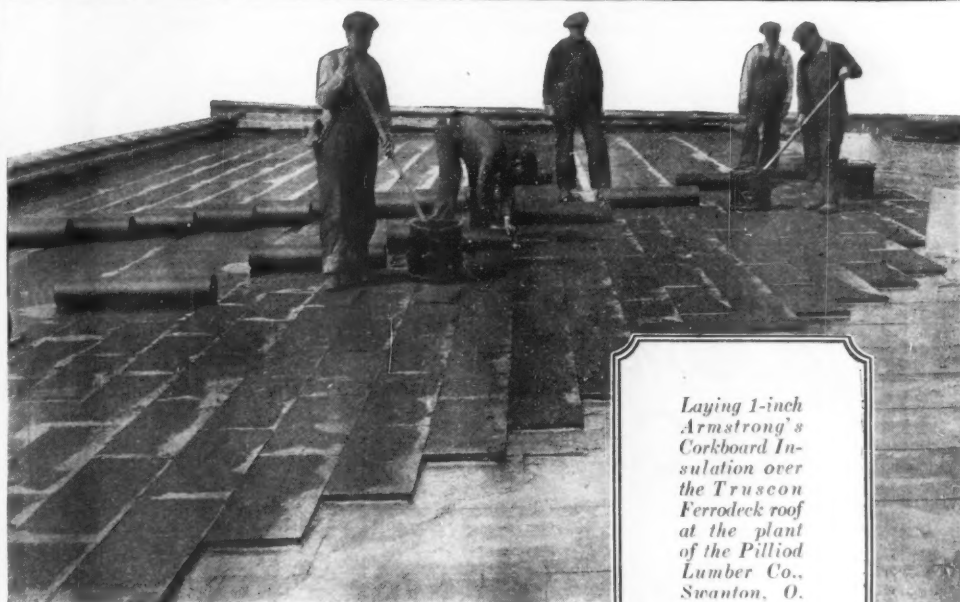
From the reports it is apparent that a good part of the population is quite ready to break home ties and seek the balm of change—to know from year to year whether variety is really the spice of life, as it is advertised. The May hegira is only a part of the annual moving, for October has its exodus no less renowned, and through the year are other minor movings. It seems worth while to note here that the first day of May is now made occasion for a tumultuous demonstration of intent to pay tribute to a new landlord, rather than to pay compliments to a new queen.

THAT ADVERTISING long has had its high priests and its skeptics is well known. In the expounding of its gospel few can claim a longer evangelism than Earnest Elmo Calkins, who writes "The Truth about Advertising" in the *Atlantic Monthly*. "Is it all bunk?" the key question, has this answer:

There is just as much bunk in advertising as there is in law or medicine, or for that matter in literature and life, but it is never necessary to use bunk to practice advertising successfully.

For this reckoning of "the good or ill that advertising does to all of us," Mr.

EVERY ROOF NEEDS INSULATION



Laying 1-inch Armstrong's Corkboard Insulation over the Truscon Ferrodeck roof at the plant of the Pilliod Lumber Co., Swanton, O.

Make the top floor comfortable, too

SWELTERING in top-floor offices or workrooms makes you realize how little protection the ordinary roof affords against the heat of the sun. It seems to come right through, and that is exactly what it does.

A layer of Armstrong's Corkboard Insulation on the roof shuts out the heat. Armstrong's Corkboard is practically impervious to heat, and under a roof so insulated, top floors on the hottest summer day are as comfortable as the floors below. And comfortable workrooms mean better satisfied and more efficient employees.

The insulation that keeps heat outside in summer holds it inside in winter, making it possible to maintain constant and uniform temperatures at a great saving of fuel. Top floors thus protected from outside temperatures are comfortable the year 'round.

Any type of roof, old or new, flat or sloping, wood, concrete, or metal, can easily be insulated with Armstrong's Corkboard. The required thickness is applied in a *single layer* in asphalt or pitch, and the standard roofing material is laid over the corkboard in the regular way. No change is necessary in construction of the roof deck.

Armstrong's Corkboard will outlast any roof. It will not swell, buckle, shrink, warp, rot or deteriorate in any way. It is positively fire retardant, will not ignite from sparks or embers, or smolder or carry fire.

ARMSTRONG CORK & INSULATION COMPANY
(Division of Armstrong Cork Company)

195 Twenty-fourth Street, Pittsburgh, Pa. McGill Bldg., Montreal, Que.

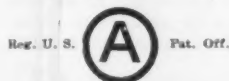
Armstrong Cork Company, Ltd., Sardinia House, Kingsway, London, W. C. 2, England

Branches in the Principal Cities of the United States



Send for These Booklets

"The Insulation of Roofs with Armstrong's Corkboard" is a general book on the insulation of roofs, containing detailed information. If your trouble is ceiling condensation, ask for "The Insulation of Roofs to Prevent Condensation." Both are free.



Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business

A Continental System of Communication

17,000 cities and towns
in the United States have
banks. Through personal
contact with 5000 banks
this institution obtains
for customers first-hand
information from 3600
banking centers, includ-
ing every important city

***The* CONTINENTAL and
COMMERCIAL
BANKS
CHICAGO**

RESOURCES HALF A BILLION—AND MORE

Calkins tries to look at it "as one of the public, using my technical knowledge to correct the errors into which writers . . . fall" when they take on the job.

Granting that there may be overproduction of advertising, and that some advertisers show "bad taste, selfishness, stupidity," Mr. Calkins reasons convincingly that the result of "the selfish desire to do more business, to sell more goods" expressed through advertising has been "a public benefit, an increasing willingness to spend money to lighten the human burden, to cut down the waste of human energy in the operation of living," and with illustration and example he contends that "advertising is a means to an end, the end a worthy and desirable one." The shortcomings of advertising are traceable, he finds, to the imperfect methods of its application, for—

it reflects the crudeness, vulgarity, and materialism of the age. Some deny we shall have ideal advertising, but that will be when industrial plants and transportation systems have also become ideal.

and consideration of the evidence directs the verdict that

the actual public benefit of advertising is that it creates a rapid interchange of commodities and money, producing what we know as "good times," and, by effective distribution, brings within easy access and at easy prices the vast number of articles with which we live and which make life less difficult, smoother, more restful, more efficient, and more worth while.

When considering the value and the need of advertising, it is essential, as the author shows, to accept the present civilization in which we live—to gauge it by the conditions in a Utopia would be thoroughly futile and pointless. Advertising that is alive and representative will take its cue and its color from its times, and it will always be just as interesting, just as imperfect, and just as subject to change without notice as life itself.

COLLEGES have found that it pays to give their professors a year's leave after six years of continuous service on the faculty. Travel and new points of view provide fresh enthusiasm and increased usefulness for the work of teaching—dividends to refute any charge that the arrangement is a costly luxury without benefits. "And why not a sabbatical year for business men?" asks Rodman Gilder, editor of the *Credit Monthly*. His advocacy is eloquent and illustrative, for in an imaginary dialogue between a professor and a business man, he writes:

Look at the breakdowns that business has to carry. Look at the good men who get into a rut and become less instead of more useful as the hard grind goes on.

Besides adding to the satisfaction in life itself, an object that some of you business men seem to forget all about, sabbatical years for the real executives in any large business would be an economy.

As it stands, Mr. Gilder's suggestion is only an ingenious rhetorical gesture. If he would put it more definitely in the form of a motion, perhaps it could be adopted in the regular order of business.

A GOOD deal of respectable testimony has been offered to establish the value of the motion picture in promoting sales of American-made goods. That "trade follows the films" is a demonstrable fact, but it is not so easy to see the results from the

movies' evangelical service in portraying American manners and customs to people in foreign lands. But the possibilities do not lack for major prophets. From Will Hays, ambassador extraordinary and minister plenipotentiary of the film world, comes this new measure of movie magic:

It may be the greatest instrument for bringing about better understanding between man and man, between group and group, and between nation and nation. When we know one another, we do not hate one another. When we do not hate, we do not make war.

* * *

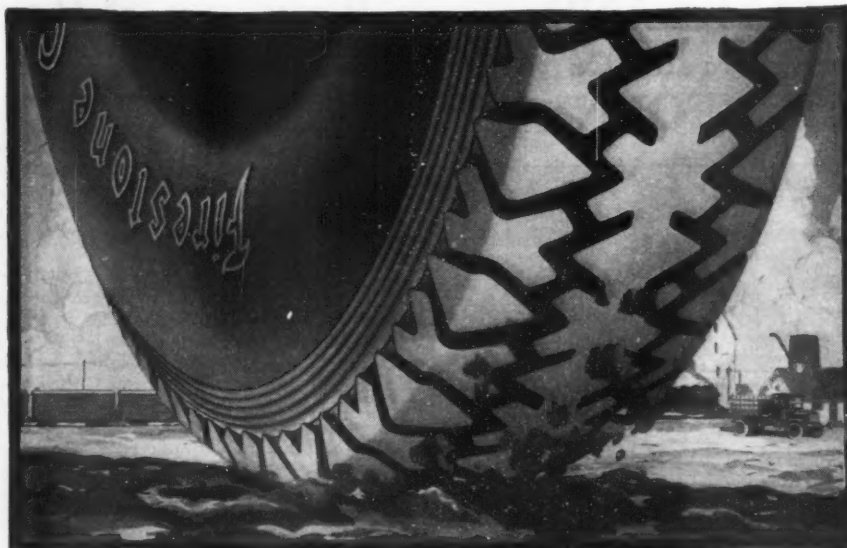
We are apt to regard those who do not speak our own tongue as different and inimical. The motion picture knows no barrier of language. But a few thousand feet of celluloid film in a metal container can be sent to the ends of the earth to speak the language which every one understands, civilized or savage—the language of pictures. Under the benign influence of familiarity with each other, no matter where we may dwell or how we may speak, the world is bound to grow better, I believe, and this is one of my greatest hopes for the motion picture.

That's a good wish, but the producers will require a full portion of courage to run counter to popular notions of foreigners. If a Spaniard is unlike the type in "Carmen," or a Japanese out of character with the "Mikado," many Americans will hold him no true man, and the producer gets hard words for tinkering with tradition. People the world over cling tenaciously to legendary characterizations of people who are strange to them, and the uprooting of wrong ideas is likely to prove an expensive business. Still, if the movie magnates determine to sacrifice art on the altar of truth by showing life as it is lived rather than as it is burlesqued, the people of all lands will eventually see and believe that "foreigners" behave everywhere like human beings.

NO SILENT watcher on the side lines is Will Rose, upstanding citizen of a small town in Pennsylvania, who has been telling in *Scribner's* about the business, play, and politics of his fellow townsmen. In one issue he focuses attention on the importance of food in any scheme of small-town life. This chronicle of gastric perils survived is crammed with descriptions of barbecues, church suppers, club luncheons, and organization dinners. In all these associational festivities with a purpose, the motto seemed to be, "If we don't eat, we won't work"—discussions of civic and social problems were all predicated on discussions of food.

When Mr. Rose was secretary of the local chamber of commerce, he writes, he made an experiment to determine the value of the traditional weekly luncheon. Every one wanted to join the chamber, he found, while the luncheons were offered, even though the membership fee was more than doubled, but when the food inducement was left out a year later, the membership shrank rapidly.

It does not seem reasonable that the glorification of food should be peculiar to one small town, or to all small towns. What Mr. Rose has observed and written is by all accounts a national characteristic. Civic development, community culture, and social progress in America seem to travel, like an army, on the stomach, and good digestion is a first essential to rating as "a live prospect." And what patriot would withhold his appetite from the need of his countrymen? Only an incurable dyspeptic could find evil in Mr. Rose's discovery of the close union of alimentary and parliamentary procedure.



Greater Mileage and Load Protection

This extra size Firestone Truck and Bus Pneumatic is accepted as the dependable, economical equipment where time and cushioning are vital.

Gum-Dipping gives extra strength and protection against friction. Every strand of every cord is impregnated with rubber, keeping the tire cool. The non-skid tread is wide and semi-flat—better load-distribution, better traction, longer wear.

For better haulage at lower cost—in any field—passenger or merchandise—see the nearest Firestone dealer.

MOST MILES PER DOLLAR



Firestone

TRUCK AND BUS PNEUMATICS

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*

A Friend of Yours
may be interested in NATION'S BUSINESS.
Perhaps you'd like to send him this coupon:

To the UNITED STATES CHAMBER OF COMMERCE
WASHINGTON, D. C.

Kindly enter the name of the undersigned to receive thirty-six numbers of NATION'S BUSINESS, one each month, and, in addition at no extra charge, one copy each year of the official transcript containing the addresses delivered by important business and government leaders at the annual U. S. Chamber of Commerce Convention in Washington, together with, on request, an annual index of the contents of the preceding year's numbers. I enclose remittance for \$7.50, which pays in full including postage for the above.

Name _____ Date _____
Address _____
City _____ State _____

7-26

When buying FIRESTONE TIRES please mention Nation's Business to the dealer

OAKLAND and Alameda County CALIFORNIA



*"Jim, now is the
time to see the*

territory which your plant here would serve. I am making the trip myself and would like you to come along.

"We will spend a couple of days calling on the trade in San Francisco and then make Los Angeles and San Diego. We will visit some of the old missions, see orange groves, take a trip to Catalina Island, and see the market that the metropolitan area of Los Angeles, with over a million people, offers for your product. And you will love San Diego.

"After our visit south, we will swing back, visiting the Yosemite, Lake Tahoe, Mt. Shasta, and then north to Portland, Tacoma, Seattle and Spokane.

"No business man can afford, during the delightful summer months, to make a trip to the Coast without seeing the whole country from the Mexican line to the Canadian border.

"Go pack your grip."

[Continued in the August issue]

A technical, industrial report will be prepared for any industry interested in a Pacific Coast location.

Write Industrial Department
Chamber of Commerce

OAKLAND CALIFORNIA

"Industrial Capital of the West"

Reviews of Recent Business Books

"**Dependent America**," by Wm. C. Redfield, Houghton Mifflin Company, \$2.50.

Mr. Redfield in his recent book "Dependent America" points out that the steel industry alone of necessity imports forty different commodities from fifty-seven countries and were these imports stopped, not only the steel industry but other manufacturers would either be seriously embarrassed or suspended.

We glory in the progress we have made and it is right that we should. We are the most nearly self-contained nation in the world with the exception of Russia, but this is due to the difference in the standards of living according to Mr. Redfield. Russia and the United States stand at opposite extremes of the economic scale. Our complex needs are, however, far beyond the power of any one nation to supply. No nation is self-contained and we as well as others must reach to all parts of the world to supply our needs; for our deficiencies are as notable as our resources.

Steel is "our greatest industry"; everyone depends on it in one form or another. Our steel manufacturers make half the output of the world and their products having no equals in the variety and volume are used throughout the world, but the materials used in making the finished product come from a multitude of places.

Mr. Redfield writes: "In 1921 the president of one of the subsidiaries of the United States Steel Corporation was asked for information about the importation of elements used in steel manufacturing. The list received in reply gives the quantities and countries from which the various materials were brought for the years 1919 and 1920 and covers fourteen and a half pages. It shows forty commodities brought from fifty-seven countries. Among the commodities imported for this purpose were aluminum, antimony (ore and metal), asbestos, asphaltum, chromite, coal, copper (ore, concentrates, and metal), ferroalloys, fluospar, graphite, iron ore, jute, lead (ore and metal), magnesite, manganese, nickel, nitrate of soda, crude mineral oil, linseed oil, palm oil, ferromanganese, ferrosilicon, pyrites, tin (ore and metal), tungsten ore. . . . Some of them, of course, are produced on a great scale in the United States, but they are international commodities also. . . ."

To quote Mr. Redfield again: "This is a mineral-using age. The metallurgical chemist and mining engineer have in the last twenty years altered the face of the earth. The possession by a nation of abundant iron ores and ample coal and lime is no longer sufficient. Nor does any one nation, however great, control within its borders enough of what are now necessary mineral supplies to stand alone."

American capital controls, equips, and manages mines throughout the world. Physically these great sources of our needed supplies lie in foreign jurisdictions; financially they are our own. We have by these investments given hostages to fortune and it is well that it is so. But by no dream and by no refusal to see can we conceal the fact that the interests, political and economic, of the country whence the capital came and of those nations into which it goes are united and not separate.

Our dependence is no less real in the more homely provinces of life. Hot Dog! A million miles of sausage casings. It sounds absurd but it is a fact that we import 18,630,000 pounds of casings a year and there are one hundred yards in a bundle which weighs about a pound.

Mr. Redfield quotes The Tariff Commission that "the fur of the domestic rabbit is unsuitable for fur felt hats." Despite a laudable attempt to use for hats the fur of our "cotton-tail" most of the materials must be imported, and a leading manufacturer states that the industry is "absolutely dependent" on foreign supplies. "We are helping Australia and New Zealand solve the rabbit problem though our importation of 41,300,000 skins in 1924 seemed to have no appreciable effect on Australia's supply. Few people realize the place that food

importation has with us. There are three kinds of world food.

First, those for which we are totally dependent on importation such as coffee, tea, chocolate, cocoa, spices, coconuts, and tapioca. Those, of which part are brought from abroad such as sugar, turnips, beans, tomatoes, onions, lemons, and pineapples. And finally those whose prices are regulated by world conditions though our domestic supply may be abundant such as wheat and certain meats. In 1924, we received from China 255,532 dozen eggs and over 9,000 tons of dried and prepared eggs. Great Britain also shipped us over 1,350,000 pounds of dried and prepared eggs. We did export nearly 27,000,000 dozen eggs in 1921 but we imported 62,000,000 dozen.

Mr. Redfield deals with many important products and raw materials for which or parts of which we are dependent on our imports, such as leather and paper to which he devotes whole chapters, the various oils and fats, shellac, silk and rayon, paints, hats, graphite, gums, jute, kitchen utensils, nickel, potash, radio, sisal, soap, and telephones.

According to Mr. Redfield national defense is an important activity that many people believe we can handle when the time comes; but due to lack of foresight during the "world war," there were at various times over 200 materials whose lack put the United States in critical situations. After the war, regular officers were assigned to make a study of the situation and they report that there are thirty specific materials which are called strategic because they are essential to the prosecution of a war and because we either do not produce them at all or can supply them only in quantities which are insufficient for even peace-time requirements.

Mr. Redfield concludes his book with a summary of our progress and his view of how we can continue to grow. The only time America was self-sufficient, was before Columbus. We must realize that, though we have a higher standard of living, it was due not alone to our own efforts but to the work of many people throughout the world. If we should succeed in isolating ourselves we would fall back in the living scale; and it is only by promoting a closer sense of unity between all men that we can hope to progress further.

Karl Marx's Capital, by A. D. Lindsay. Oxford University Press, London, 1925. \$1.00.

Money, by R. A. Lehfeldt. Oxford University Press, London, 1926. \$1.00.

These two small volumes are issues of "The World's Manuals," put out by the Oxford University Press. Dr. Lehfeldt, who writes on "Money," is Professor of Economics at the University of Witwatersrand, Johannesburg. He looks to a day when we shall develop a real international currency.

The Master of Balliol, in the other volume, gives an understandable summing-up of Marx's theories, particularly on value.

The Medal of Gold, by William C. Edgar. The Bellman Company, Minneapolis, 1925.

The story of the Washburn-Crosby Company and of Gold Medal Flour, told by the editor of the *Northwestern Miller*.

Cadwallader Colden Washburn was a Maine Yankee who drifted west in the '40's, was lawyer, surveyor and banker and then a miller, led to that industry by the possibilities of water-power. A history worth writing, of one angle of American industry.

The Beginnings of the New York Central Railroad, by Frank Walker Stevens. G. P. Putnam's Sons, New York, 1926.

The New York Central is taking time by the forelock, and is celebrating its centennial both by holding meetings and by preparing a history.



*"You asked for more office help
—and here it is"*

INSTEAD of adding to our pay roll I am increasing the efficiency of every one in this organization. I checked up on this window equipment before I had it installed. I found that *Western Venetian Blinds* relieve eye strain and allow for proper, healthful ventilation. As a result absences on account of illness have been reduced and production has been speeded up and employees leave at the end of the day feeling much fresher than when they produced less work in the glare of direct daylight. Our employees will work under more pleasant conditions, will increase their efficiency and thus increase their salaries. This I feel is better all around than adding to our present force."

... *Western Venetian Blinds* transform each window into a unit of indirect lighting. With them you can easily and quickly control the intensity of daylight and at the same time maintain perfect ventilation. Used in thousands of business offices. Send the coupon for full information as to how *Western Venetian Blinds* will increase comfort and efficiency in your place of business.

Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE

WESTERN VENETIAN BLIND COMPANY
Factory and General Office: Los Angeles California

New York
Atlanta

Chicago
Birmingham

Kansas City
Portland, Ore.

San Francisco
Seattle

New Orleans
St. Petersburg, Fla.

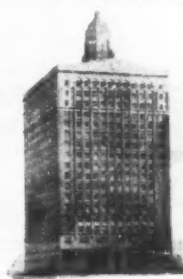
Texas Agents: Two Republics Sales Service, Houston, San Antonio, Dallas



Bell Building, Chicago
Completely Equipped with
Western Venetian Blinds



Medical Arts Building, Dallas
Completely Equipped with
Western Venetian Blinds



Equitable Life Insurance Bldg., Des Moines
Completely Equipped with
Western Venetian Blinds



Westinghouse Electric Mfg. Co. Bldg.,
Philadelphia, Pa.
Equipped with *Western Venetian Blinds*



National Chamber of Commerce Bldg.,
Washington, D. C.
Completely Equipped with
Western Venetian Blinds

Western Venetian Blind Co.,
Dept. S-6, 2700 Long Beach Ave.,
Gentlemen: Without obligation on my
part, please send me your free illustrated
64-page catalog showing illustrations of
Western Venetian Blinds.

Name

Business Firm

Address

Associated Gas and Electric System

Founded in 1852

Business Diversity

A public utility system serving a large number of moderate sized business enterprises is more likely to have a steady demand for its service than one serving a small number of large ones.

The more numerous and diverse the activities in a community are, the more likely they are to balance one another.

The Associated System serves an unusually wide variety of moderate sized business enterprises. By actual count it serves approximately 1,200 enterprises employing 25 or more persons each. While not counted, the number employing less than 25 is by far the larger group.

Of the 1,200 enterprises, over 800, or approximately 70%, are also of moderate size, employing 25 to 100 persons. Less than 29% employ 100 to 1,000 persons and only 1 1/4% employ over 1,000 persons.

The location of Associated properties in 12 states necessarily means diversity in business activities; the fact that the business enterprises served are numerous and of moderate size literally brings about "diversity within diversity."

Variety of business activities tends to produce desirable conditions for the worker and uniform business prosperity for the community. This in turn steadies the demand for utility service and stabilizes the earnings therefrom.

For information concerning facilities and securities of the

Associated Gas and Electric Company

Write to its subsidiary and ask for our booklet, "Interesting Facts"

Associated Gas and Electric Securities Company
Incorporated



61 Broadway

New York

"The Sunshine Belt to the Orient"



Fujiyama from Lake Shoji—Japan

\$11.37 per day Round the World on palatial liners

YOU MAY circuit the globe for about what it costs you to live at home. Fares range from \$1250 to \$3500 per capita including meals, accommodations and transportation. Visit 22 ports in 14 countries. Commodious outside rooms on magnificent President Liners. A world-famous cuisine and luxurious appointments. A personal service.

A sailing every Saturday from San Francisco (every two weeks from Boston and New York).

Ask any ticket or tourist agent
or write for complete details.

Dollar Steamship Line

604 Fifth Avenue, New York City
Robert Dollar Building, San Francisco

Eastern manufacturers choose OAKLAND



FOR Western factories or selling offices, Oakland is the logical location.

It is centrally situated. It has splendid rail and water transportation. Direct steamship service is maintained with the Orient. Power and labor are abundant. Working conditions induce extraordinary efficiency. Good factory sites are available at low cost. It serves a rich "back-country" market. It is the "coming" industrial city of the West.

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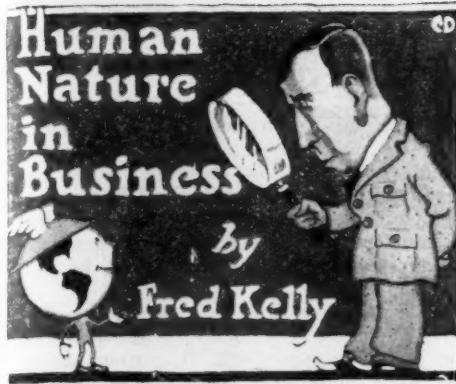
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I KNOW a man who has made a fortune in the fireplace business—builds fireplaces and hearths, sells mantels and fireplace fixtures—and his success has been due, he thinks, to a surprising reason.

This is it: When his men go into a home and work on a fireplace, they never make much muss. What little they do make, they clean up before leaving in the evening, even if they're to be back on the job the next morning. They carry rolls of paper with them and spread it over every inch of carpet they are likely to walk on. They make a sort of tent near the fireplace, to prevent dust from scattering. If there are bookshelves in the same room, they carefully tuck paper in all about them and never a particle of dust ever reaches the books.

Now, the head of this outfit is frank to say that his work is probably no more skilled and his prices no lower than one can obtain at any of a half dozen other places in the same city. But he does as much business as any three competitors.

He never advertises that he is cleaner than other fireplace builders. That would be fatal, because it would call his competitors' attention to the secret of his success and they might take the hint to do likewise.

But people who employ this man do not object to seeing his mechanics come again. They haven't that dread of building a fireplace that the usual mussy experience justifies one in feeling. Hence this firm has prospered.

"It's really a simple recipe," the proprietor told me. "Clean up your own litter. That is nothing more than an ordinary rule for decent living whether in business or not."

I'll venture to say that thousands of men, painters, paperhangers, carpenters, construction men of all kinds, might turn their ledger from failure to success by this simple plan of making themselves more welcome by being willing to clean up their own litter.

IF I EVER organize anything it will be a Society for the Prevention of Tin Advertising Signs on Beautiful Trees.

THE TELEPHONE COMPANY in a certain city found it necessary to put all subscribers in one locality on a restricted number of calls each month. That is, instead of paying a fixed sum for all the calls he desires, each subscriber must pay extra for each call beyond a certain number. The result was that the average subscriber did not even use up the calls to which he was entitled on his flat rate. It always happens just that way, say the telephone men. If a man runs, say, three calls over his allowance in a month, he tries to reduce this by three the following month and guards so carefully against unnecessary calls that he reduces them by considerably more than

Now is the time to plan that Tour!

And here is the way to insure your comfort and enjoyment



THE joys of touring are richly enhanced when you are sure of solid comfort at the end of the day's journey. A tiled bathroom; choice food well cooked, well served; and best of all, a luxurious box spring mattress—what a difference these make in one's scheme of things!

There is a simple way to insure these prime conveniences this summer. Plan your itin-

erary so that you will reach one of the cities listed here at rest points on your trip. Make the United Hotels

Your Home on the Broad Highway

All the things that go with a fine standard of living await you at United Hotels. Let them play a part in your vacation plans.

The United System

The Roosevelt
New York City, N. Y.
*The Benjamin Franklin
Philadelphia, Pa.
The Olympic
Seattle, Washington
The Bancroft
Worcester, Mass.
The Ten Eyck
Albany, N. Y.
The Utica
Utica, N. Y.
The Onondaga
Syracuse, N. Y.
The Rochester
Rochester, N. Y.

The Seneca
Rochester, N. Y.
The Niagara
Niagara Falls, N. Y.
The Lawrence
Erie, Pa.
The Portage
Akron, Ohio
The Durant
Flint, Michigan
The Robert Treat
Newark, N. J.
The Alexander Hamilton
Paterson, N. J.

The Stacy-Trent
Trenton, N. J.
The Penn-Harris
Harrisburg, Pa.
The Mount Royal
Montreal, Canada
King Edward
Toronto, Canada
Royal Connaught
Hamilton, Canada
The Clifton
Niagara Falls, Canada
Prince Edward
Windsor, Canada
The Admiral Beatty
Saint John, N. B.

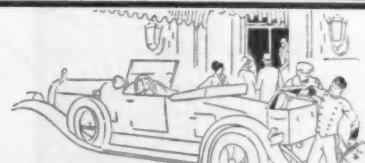
*Your headquarters during the Sesqui-Centennial

UNITED HOTELS COMPANY OF AMERICA

Executive Offices: 25 West 45th St., New York

Affiliated AMERICAN HOTELS CORPORATION, Operating Modern Hotels in Intermediate Cities
U. N. I. T. I. Operating System of Famous old world Hotels

Reservations may be made at any United or American hotel for any other hotel in this System.
European headquarters, United Hotels Travel Bureau, 7 St. James's Street, London, S. W. 1, England; 6 Rue Caumartin, Paris, France.



When writing to UNITED HOTELS COMPANY OF AMERICA please mention Nation's Business



Wrapped and insured in one operation

THE efficiency of North America Parcel Post Insurance is especially appreciated by those who make parcel post shipments daily. It places dependable, economical insurance on every package at a marked saving in time and labor. A coupon from a North America Coupon Book insures each package at the wrapping desk. Ask your insurance agent or broker, or send the coupon below for complete information.

Insurance Company of North America

PHILADELPHIA

"The Oldest American Fire and
Marine Insurance Company"

Founded
1792

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N-7

Name _____

Street _____

City _____

State _____

Wants information on Parcel Post Insurance

FREE

140-page Book full of life-size ruled forms, each one completely filled in. The answer to problems of accounting and record keeping for any business or profession.

Send for this FREE Book today
John C. Moore Corporation
(Established 1839)
3096 Stone St., Rochester, N. Y.

**MOORE'S LOOSE LEAF
SYSTEMS**
Used In 300,000 Offices

Ask about the New
MOORE'S VISIBLE RECORDS

GERMAN ARMY OFFICERS' FIELD GLASSES



8 power \$9.85 Postpaid

For hunting, motoring, the races, ocean travel, bird and nature study, etc.

These genuine German War Glasses were purchased at exceptionally advantageous rates of exchange.

Manufactured by most prominent of German optical factories. Many were received direct from the Allied Reparation Commission. Conservative \$20.00 value.

Finest achromatic day and night lenses 40 m.m. objective. Dust and moisture proof. Pupillary adjustment. Built for service, regardless of cost, according to strictest military standards. All glasses guaranteed in perfect condition. We have sold 95,000 pairs of this model to date.

Shipped promptly on receipt of check or money order for \$9.85. Order your field glasses today

SWIFT & ANDERSON, Inc.

SUCCESSORS TO

HENDERSON BROTHERS

Largest importers of field glasses in America
93 N. Federal Street Boston, Mass.

three. If subscribers were equally careful all the time, says the telephone company, it would not be necessary to put them on a restricted rate.

I MET THE proprietor of a nearly completed New York skyscraper late one night coming out of a side entrance to the big building dressed in the garb of a laborer. Inasmuch as this man is rated as a millionaire, of course, I was surprised. We got into conversation and he told me what he had been doing.

"The plumbers were on a strike," he said, "and I couldn't get anybody to shove one or two steam radiators out of a room where they were temporarily stored. I didn't care whether they were connected up to pipes or not, but I wanted to have them moved so that I could use the room. But I discovered that if anybody but a plumber touched them, then other trades would quit me, in a sympathetic strike. The plumber himself couldn't move them, because of being on strike. So there appeared to be no way by which I could move my own radiator out of a room in my own building—that is, no way except to do it myself, but I couldn't even do that openly, because the men on the job would have mistaken me at once for a vicious enemy and menace to society. I therefore did the only thing left to do—disguise myself and moved my radiators out of my room when nobody was looking. You'll never know how sneaking and lowdown I feel."

THE HEAD of one of the smaller automobile factories recently took me through his plant and I found a somewhat dramatic quality in his enthusiasm over trying to produce only first-class goods.

He pointed to a row of finished cars.

"Those," he said, "were made here and yet they are not our cars—not yet."

"Whose are they?" I asked.

"Oh, they will be part of our regular output, but they are not ours yet, because none of them has a name plate on the front."

"When we attach our name plate," he said, solemnly, "we have christened the car and become sponsor for it. But we don't christen it until it has had its baptism of fire. It must first go out and undergo severe road tests. If it fails to meet such tests, it is not our car—but merely a car that was attempt-



ing to qualify for our standards. But if it comes up to the mark in the final ordeal, then we pin our badge on its radiator and it is thenceforth our child."

I couldn't help believing in that car, because the maker so thoroughly believed in it himself.

ONE OF the amazing trends of the times, it seems to me, is the marked improvement in quality of food served at lunch counters. I can remember when willingness to eat at such a place marked a person as lacking fastidious taste. Today it seems to me that I get better pie at a lunch counter than at the best hotels. Perhaps it is because hotels now offer a great variety of other desserts and are no longer pie specialists. I find it an interesting hobby to shop about in large cities and try to locate the best of each kind of pie. Personally, I am deprived

John M. Smyth Company
The Home's Best Friend
 MANUFACTURERS - RETAILERS - IMPORTERS
 Established 1887

THIS STORE IS OPEN EVERY SATURDAY EVENING UNTIL TEN O'CLOCK



A HAND MADE LUNCHEON TABLE, shown above, is a masterpiece of craftsmanship. It is made of solid oak and is finished with a special stain. It is a perfect example of the company's quality work.



The Home Is the Thing



THE FIRST SPRING BED, shown above, is a perfect example of the company's quality work. It is made of solid oak and is finished with a special stain. It is a perfect example of the company's quality work.



A BOY'S ROOM IS HIS OWN DOMAIN. A boy's room should be a place where he can express his individuality. The John M. Smyth Company has a wide variety of furniture and fixtures for boys' rooms. From desks and chairs to beds and dressers, we have everything you need to make a boy's room a perfect place for him to live.

"THE HOME IS THE THING"

REPRODUCED above in miniature is a typical page from the advertising campaign of the John M. Smyth Company in the Photogravure Section of The Chicago Daily News. The first page appeared on Saturday, August 15, 1925, and although their contract calls for a minimum of two pages per month for one year, a full page has appeared every Saturday with three exceptions.

(NOTE: The John M. Smyth photogravure advertising totaled 47,040 agate lines in the first six months of the contract, or nearly the entire amount originally contemplated for the full year.)

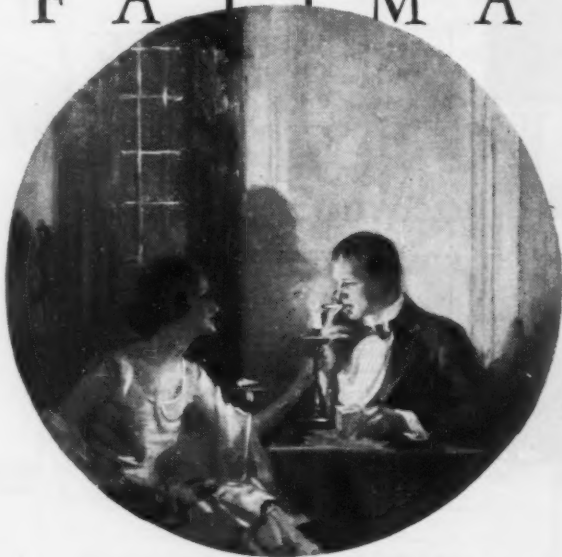
"We have had requests for the merchandise three weeks after its appearance in the Photogravure Section—not one but many," says the John M. Smyth Company.

THE CHICAGO DAILY NEWS
First in Chicago

"If..."

FREQUENTLY you hear a man say, "If Fatimas were sold at fifteen cents everybody would smoke them." No doubt, but that's easier said than done. For without the finer tobaccos, the subtle delicacy, made possible by a few cents more, Fatima would not be Fatima

F A T I M A



*"What a whale of a difference
just a few cents make"*

LIGGETT & MYERS TOBACCO CO.

IF YOU HAVE A SELLING PROBLEM

Don't Fail to Send
for a Copy of This

FREE BOOK ON DIRECT-BY-MAIL ADVERTISING

Shows how to increase sales and decrease
selling costs.

"Wonderful Stuff!" is echoed by all who have
read it. "Recently I invested in a set of business
books that cost a lot of money," wrote one;—
"But I got more real benefit from your little book
than from all of them!"

And, now, all you have to do to get YOUR COPY is to clip out this advertisement, pin it to your regular business letterhead, and mail it to the

ELLIOTT
ADDRESSING MACHINE CO.
149 Albany St., Cambridge, Mass.

Figures in a Hurry— Not Hurried Figures

Send your inventory and other emergency
computations to a skilled organization of public
calculators. 48-hour accurate service.

ATLAS CALCULATING SERVICE

19 W. Jackson Boul.

Chicago, Ill.

INVESTMENTS IN CANADA

We are equipped to make audits and prepare accurate and exhaustive reports for Companies, Firms, and individuals proposing to invest in Canadian enterprises or to extend their activities to this country.

WELCH, CAMPBELL & LAWLESS
Chartered Accountants
Cost and Production Data

CROWN LIFE BLDG.

TORONTO, CAN.

enough to like rhubarb pie for breakfast, but I never can find it before noon. Even then I rarely find it of first-class quality.

One obscure little restaurant has the best fresh cherry pie in New York, in season. The proprietor told me that he has little competition because nearly everybody dislikes the bother of seeding cherries.

If I had a restaurant and sold cherry pies as good as his, I should take full-page advertisements in all leading newspapers and magazines and make it necessary to call out the police reserves to handle traffic in front of my door. Surely, I am not the only person who would like good pie and be willing to walk out of my way to get it. Why, then, isn't pie more widely advertised?

Some years ago I discovered that the best cocoanut cream pie in New York is available at a place where one drops his money in a slot. But I had to find this out by what Professor Thorndyke calls trial and error process.

Why doesn't this gifted maker of cocoanut pies buy advertising space?

Why is chewing gum so widely advertised and so little said about pie?

IN NEW YORK is a small sandwich shop in the heart of the financial district—where men and women are inclined to eat briefly at noon. For the amount of floor space, they probably turn out more sandwiches than any shop in the city. I asked the proprietor about current taste in sandwiches and he informed me that though he



sells a dozen different kinds, two-thirds of all sandwich eaters prefer one or the other of just two varieties—cheese and ham. Old Dr. Ham seems to be so thoroughly entrenched in the sandwich industry that light-waisted competitors, such as lettuce, or even tongue, cause him little concern.

I'M REMINDED here of a confession once made to me by the chef in a summer hotel. Just when neighboring gardens were overflowing with fresh peas, this hotel served canned peas. I asked the chef if the canned peas were cheaper.

"No, they ain't no cheaper at this season," he said, "but it's handier for me to open cans than to shuck 'em."

INVESTIGATION of the cost of hiring and firing employes in a big hotel showed that:

- 34 per cent had worked less than a month.
- 55 per cent had worked less than three months.
- 75 per cent had worked less than six months.
- 91 per cent had worked less than a year.
- 92 per cent had worked less than three years.
- 99 per cent had worked less than five years.

The average cost of breaking in each new employe was between \$25 and \$40.

INSURANCE men find a much greater accident risk to new employes in all factories than to old ones. Any man who has been in a dangerous job for a year or more without injury has probably had every opportunity to get hurt but has proved himself so careful that he may be considered permanently safe.

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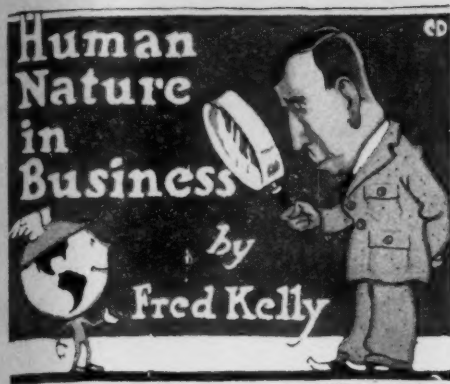
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I KNOW a man who has made a fortune in the fireplace business—builds fireplaces and hearths, sells mantels and fireplace fixtures—and his success has been due, he thinks, to a surprising reason.

This is it: When his men go into a home and work on a fireplace, they never make much muss. What little they do make, they clean up before leaving in the evening, even if they're to be back on the job the next morning. They carry rolls of paper with them and spread it over every inch of carpet they are likely to walk on. They make a sort of tent near the fireplace, to prevent dust from scattering. If there are bookshelves in the same room, they carefully tuck paper in all about them and never a particle of dust ever reaches the books.

Now, the head of this outfit is frank to say that his work is probably no more skilled and his prices no lower than one can obtain at any of a half dozen other places in the same city. But he does as much business as any three competitors.

He never advertises that he is cleaner than other fireplace builders. That would be fatal, because it would call his competitors' attention to the secret of his success and they might take the hint to do likewise.

But people who employ this man do not object to seeing his mechanics come again. They haven't that dread of building a fireplace that the usual mussy experience justifies one in feeling. Hence this firm has prospered.

"It's really a simple recipe," the proprietor told me. "Clean up your own litter. That is nothing more than an ordinary rule for decent living whether in business or not."

I'll venture to say that thousands of men, painters, paperhangers, carpenters, construction men of all kinds, might turn their ledger from failure to success by this simple plan of making themselves more welcome by being willing to clean up their own litter.

IF I EVER organize anything it will be a Society for the Prevention of Tin Advertising Signs on Beautiful Trees.

THE TELEPHONE COMPANY in a certain city found it necessary to put all subscribers in one locality on a restricted number of calls each month. That is, instead of paying a fixed sum for all the calls he desires, each subscriber must pay extra for each call beyond a certain number. The result was that the average subscriber did not even use up the calls to which he was entitled on his flat rate. It always happens just that way, say the telephone men. If a man runs, say, three calls over his allowance in a month, he tries to reduce this by three the following month and guards so carefully against unnecessary calls that he reduces them by considerably more than

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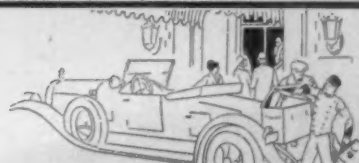
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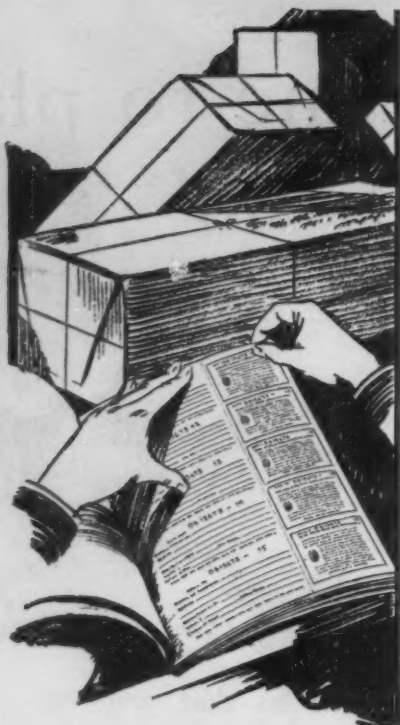
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three. If subscribers were equally careful all the time, says the telephone company, it would not be necessary to put them on a restricted rate.

I MET THE proprietor of a nearly completed New York skyscraper late one night coming out of a side entrance to the big building dressed in the garb of a laborer. Inasmuch as this man is rated as a millionaire, of course, I was surprised. We got into conversation and he told me what he had been doing.

"The plumbers were on a strike," he said, "and I couldn't get anybody to shove one or two steam radiators out of a room where they were temporarily stored. I didn't care whether they were connected up to pipes or not, but I wanted to have them moved so that I could use the room. But I discovered that if anybody but a plumber touched them, then other trades would quit me, in a sympathetic strike. The plumber himself couldn't move them, because of being on strike. So there appeared to be no way by which I could move my own radiator out of a room in my own building—that is, no way except to do it myself, but I couldn't even do that openly, because the men on the job would have mistaken me at once for a vicious enemy and menace to society. I therefore did the only thing left to do—disguise myself and moved my radiators out of my room when nobody was looking. You'll never know how sneaking and lowdown I feel."

THE HEAD of one of the smaller automobile factories recently took me through his plant and I found a somewhat dramatic quality in his enthusiasm over trying to produce only first-class goods.

He pointed to a row of finished cars.

"Those," he said, "were made here and yet they are not our cars—not yet."

"Whose are they?" I asked.

"Oh, they will be part of our regular output, but they are not ours yet, because none of them has a name plate on the front."

"When we attach our name plate," he said, solemnly, "we have christened the car and become sponsor for it. But we don't christen it until it has had its baptism of fire. It must first go out and undergo severe road tests. If it fails to meet such tests, it is not our car—but merely a car that was attempt-



ing to qualify for our standards. But if it comes up to the mark in the final ordeal, then we pin our badge on its radiator and it is thenceforth our child."

I couldn't help believing in that car, because the maker so thoroughly believed in it himself.

ONE OF the amazing trends of the times, it seems to me, is the marked improvement in quality of food served at lunch counters. I can remember when willingness to eat at such a place marked a person as lacking fastidious taste. Today it seems to me that I get better pie at a lunch counter than at the best hotels. Perhaps it is because hotels now offer a great variety of other desserts and are no longer pie specialists. I find it an interesting hobby to shop about in large cities and try to locate the best of each kind of pie. Personally, I am depraved